

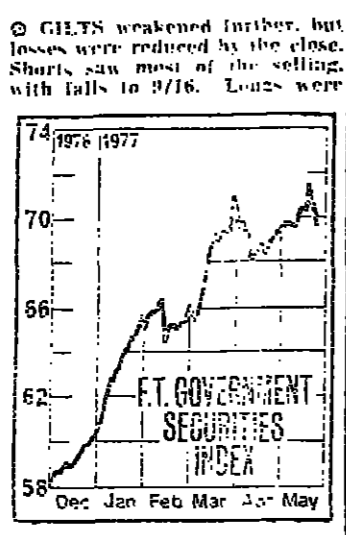


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Soviet airliner forced to index Sweden below 70

A Soviet engineer, bluffing that he carried explosives, yesterday sky-jacked an Aeroflot AN-24 two-engine turboprop airliner while on a domestic flight and ordered it to land at Stockholm's Arlanda airport.



Three Dutch hostages freed

Armed Moluccan extremists holding more than 100 Dutch hostages, including 205 school children, yesterday freed their fourth day of captivity—releasing two schoolgirls and a boy.

Reason to meet Paisley today

Mr Roy Mason, the Northern Ireland Secretary, who yesterday held London talks with Dr. Gair D. Fitzgerald, Irish Foreign Minister, is to meet the Rev. Ian Paisley at Stormont today.

Union build-up in Merit

Union officials yesterday have been seen to show Lebanon in anticipation of the Middle East election.

Arab mediators cool Pakistan

Saudi Arabia, Libya, Kuwait, the United Arab Emirates and the Palestine Liberation Organisation, have persuaded Pakistan to accept a 10% reduction in its arms.

Rest blockade

Angry Breton fishermen protested at this week's British arrival of a French trawler, accused of their blockade of Brest.

Lockheed scandal

Lockheed made questionable payments of \$300,000, between 1970 and 1975, according to a report from the U.S. aircraft company.

End of tour

The Queen is to open Edinburgh airport's new terminal building today as the last engagement of her Silver Jubilee tour of Scotland.

Briefly...

Mike Brearley, the Middlesex captain, is to lead England in three Test matches in Australia next month.

Table with 2 columns: RISES and FALLS, listing various stocks and their price changes.

Varley lifts freeze on Mini—but NEB will decide timing

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

The Government yesterday took the brakes off the investment freeze on British Leyland's new Mini programme but left it to the National Enterprise Board to decide when and how fresh funds should be channelled into the company.

In a jawkey statement in the Commons, Mr. Eric Varley, Industry Secretary, said that the Mini programme had a vital part to play in re-establishing British Leyland's position in cars.

At the same time, however, he has left the onus on the unions to prove that they can show the long-term improvements in industrial relations which are demanded after the disastrous toolmakers' strike two months ago.

Vote on polling method for direct elections

BY RICHARD EVANS, LOBBY EDITOR

THE CABINET has decided in principle to hold a vote on the method of direct elections to the European Parliament before the European Commission introduces a Bill to amend the present Parliamentary session.

Few weeks

The Cabinet proposal, which will be announced to MPs in the next Commons return from the Whitton recess on June 13, is to produce a recommendation on the method of election and to vote on it in order to gauge Parliamentary opinion without the need to introduce a Bill.

ICI, Courtaulds sales rising

BY RHYD DAVID

SIGNS THAT a strong recovery is being made in two key manufacturing sectors—chemicals and textiles—have emerged in figures published by the leading British groups in the fields, Imperial Chemical Industries and Courtaulds.

ICI, which experienced levelled-off sales towards the end of last year after a surge in the early months, saw sales jump substantially in the first quarter of 1977, largely as a result of the continuing competitiveness of U.K. exports.

Talks on EEC states that stop being democracies

By Malcolm Rutherford

THE FOREIGN Secretary has raised the highly sensitive question of how the EEC should deal with a member state that ceases to be democratic.

The issue was discussed at the informal meeting of EEC Foreign Ministers hosted by David Owen, at Leeds Castle in Kent last week-end. He apparently intends to return to it shortly.

Dr. Owen made a passing reference to his thinking in a little-noticed passage in a speech in Brussels on Tuesday. "A democratic Europe is our foundation," he said. "It is inconceivable to me that any country can be a member of the EEC while no longer practising democratic government."

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Good time

In the Lords, a leading Liberal peer, Lord Gladwyn, said his party relied on the Government's intention to lay legislation embodying some form of proportional representation before Parliament in good time for a vote to be taken before the summer recess.

Good time

There will also be a Government statement on devolution in the week the Commons returns in mid-June stating the degree of progress which has been made in the inter-party talks following the collapse of the Bill when the guillotine motion was lost.

Good time

It is unlikely to contain details of new legislation as Ministers are still unable to find a formula that could set a measure through Parliament.

Carter policy unchanged by trade deficit

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, May 26.

THE U.S. trade deficit widened to another record last month of \$2.6bn, in spite of a \$400m decline in the value of oil imports.

In a significant speech in New York, however, a senior Treasury official contended that the Administration saw no reason for policy changes in the face of a deficit that was likely to exceed \$2.5bn this year.

The April deficit was more than \$200m worse than the previous record set in March. Exports fell by about 1 per cent, while imports rose by a similar amount. The fall in oil imports was more than offset by increases in foodstuffs, particularly coffee, sugar and fish.

Vote on polling method for direct elections

BY RICHARD EVANS, LOBBY EDITOR

THE CABINET has decided in principle to hold a vote on the method of direct elections to the European Parliament before the European Commission introduces a Bill to amend the present Parliamentary session.

Advertisement for Herring Son & Daw, Surveyors to Industry, listing various industrial sites for sale or lease.

An editor's responsibility

BY JOE ROGALY

THIS IS NOT a week in which the Press should come out with too many self-righteous statements in its own defence...

First step

The amount of damage done by the Daily Mail cannot be calculated, but it is certainly great...

Less secrecy

But none of this needs to be elaborated now. The central point for the moment is that all the enemies of open government...

OFFSHORE GAS REVIEW

Marketing drive for gas

WITHIN the next few weeks the Offshore Mercury jack-up rig should leave the Dutch sector of the North Sea to begin a five-well drilling programme...

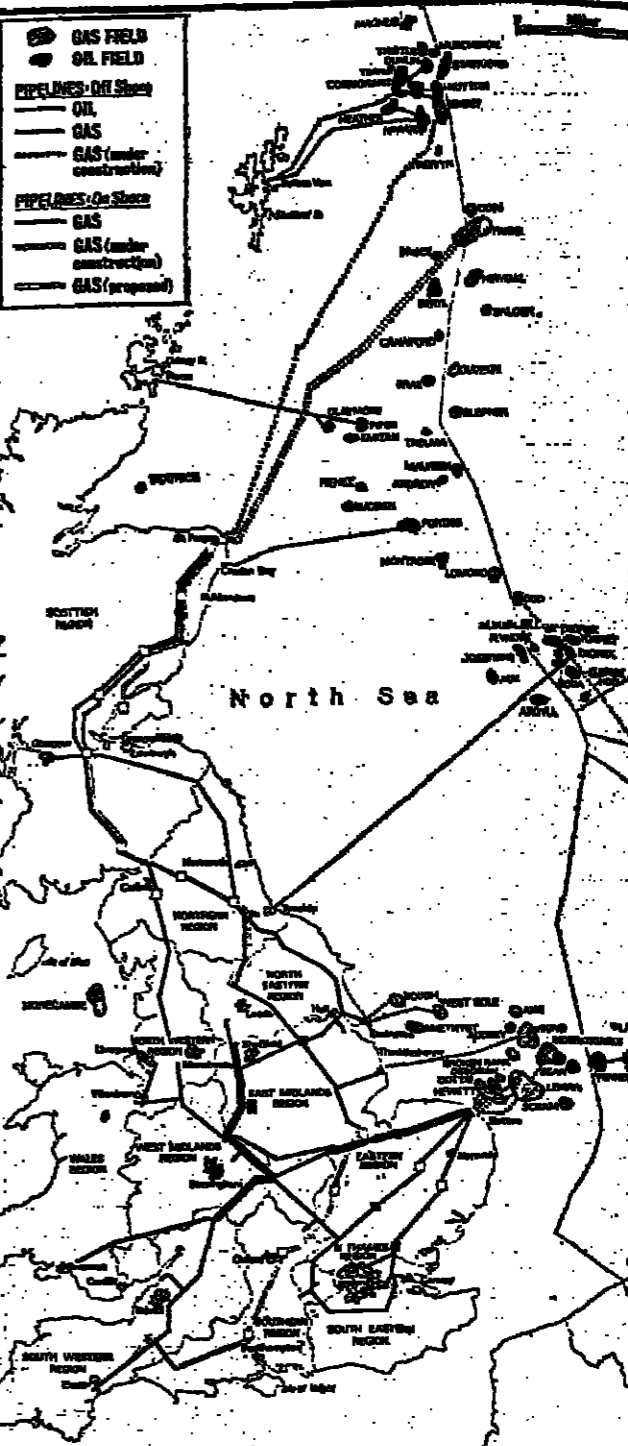
Quickly

It has been one of the biggest operations of its type in the world. It has also been done relatively quickly: Japan is taking up to 12 years to convert 5m customers...

help to mop up gas output in periods of generally low demand. As usual British Gas refuses to discuss in public details of its supply deals...

Familiar

The cry is a familiar one, Sir Denis, unmoored by the repeated criticism, once commented: 'The return we get of that investment (exploration) is very satisfactory...'



its record with a five well drilling programme in 1977/78. This will cover blocks 110/2 and 110/3.

TV Radio section with program listings for BBC 1 and various channels.

F.T. Crossword Puzzle No. 3391 with grid and clues.

LONDON section with news items for BBC 2, 4, and 5.

REGIONAL section with news for various areas like North Yorkshire, Lancashire, etc.

RADIO section with listings for various radio stations and programs.

SCOTTISH section with news items for Glasgow, Edinburgh, etc.

SOUTHERN section with news items for London, Southampton, etc.

BBC Radio London section with program listings for various BBC radio services.

RACING BY DARE WEAN

Kinglet can be driven - advertisement for a horse named Kinglet.

Saleroom - advertisement for a horse named Mentmore flour bin.

Bordeaux prices high - advertisement for wine or real estate.

Advertisement for a service, possibly related to the 'Bordeaux' ad.

Various small advertisements and notices at the bottom of the page, including 'Joy... 12 50' and 'TOTAL SERVICE 800'.

EUROPEAN NEWS

Soares loses support in Parliament

Sr. Mario Soares' minority Socialist Government has been forced out on a lull following the decision of his Social Democrat and Christian Democrat opponents (the PSD and CDS), who hold 52 per cent of the vote between them and 113 seats in parliament, to set up a joint platform, writes Diana Smith.

Most importantly, PSD/CDS leaders announced last night that from now on, the Socialists cannot count on the sort of agreements which, in the past, ensured the Socialists' survival in Parliament. Until now, key Government Bills have been passed thanks to sporadic backing from either the PSD or CDS (or indeed from the 40-deputy Communist Party), thus allowing the 105-seat Socialists to override opposition.

Meanwhile, there have been violent clashes between Communist-backed farm labourers and the National Republican Guard in the Alentejo province. Portugal's grain belt, near the town of Mora when Guardsmen attempted to restore to a farmer part of his land which had been taken over in the 1975 land grab and militantly Marxist agrarian reform.

Schmidt censure

West German Opposition leaders said yesterday they would table a motion of censure against Chancellor Helmut Schmidt following a court ruling that he acted unconstitutionally when Finance Minister in 1973, Reuter reports from Bonn.

E. Germans arrested

Eight suspected East German spies have been arrested, the West German federal prosecutor's office announced yesterday, the latest episode in a recent major round-up of alleged Communist agents. Reuter reports. The arrests bring to 14 the number of alleged agents detained within the past three weeks.

Cyprus talks end

Intercommunal talks on the future of Cyprus ended today without a date being fixed for their resumption, Reuter reports from Cyprus.

POLISH DISSIDENTS

Making martyrs

BY CHRISTOPHER BOBINSKI IN WARSAW

POLISH officialdom parried death, published in a Cracow newspaper five days later on the day of his funeral, was that he had fallen down the stairs, a version made plausible by the high going to do them a favour by locking them up and making martyrs of them.

But now, after the death of a student WDC activist in Cracow and the questionable favour done by the nine committee members and sympathisers by arresting them, the authorities are going the right way about doing just that, and increasing political tension at the same time.

Since last June when the authorities tried unsuccessfully to increase food prices, neither the authorities nor Poles at large have been quite sure just how far the balance of power had shifted between the two sides.

Trials and sackings of workers followed the demonstrations and young people mainly from Warsaw started to organise legal and financial aid for the victims. By September the young people had joined a group of respectable non-conformist intellectuals to form the Workers' Defence Committee.

The Committee set out to help the victims, to push for a parliamentary inquiry into allegations of police brutality against workers arrested, to secure the release of those in prison and the reinstatement of those sacked.

By going public the WDC deliberately set out to show, both the people and the authorities that there was nothing wrong in doing this kind of thing; indeed, by channelling resentment and protest, that it could be a positive force. Until the beginning of this month it did seem that the WDC had found a place for itself.

People donated money, the committee researched around a thousand cases of repression and paid out more than 23m. It also took on many cases while along with the church it could credibly claim credit for the release of all but five of the workers still in prison.

The authorities, for their part, despite harsh noises and some extremely unpleasant police harassment, seemed to have decided that this was a pressure group they could live with.

All this changed when, on the morning of May 7, Mr. Stanislaw Prjas a fifth year Cracow philology student and one of the most active of the WDC sympathisers at the university, was found dead at the bottom of a Cracow staircase.

The police version of the case, published in a Cracow newspaper five days later on the day of his funeral, was that he had fallen down the stairs, a version made plausible by the high going to do them a favour by locking them up and making martyrs of them.

But his friends who managed to see the body in the mortuary were convinced that he had been beaten up. They were also puzzled that the police who questioned them about the death were not interested in the fact that five of them had recently received anonymous letters accusing Mr. Prjas of being a police informer and encouraging them to deal with him. Acting on this information, the WDC put out a statement asking for a public investigation of the death and the punishment of those responsible.

In Cracow the students declared a boycott of the annual student rag scheduled for the week-end following the funeral and its success persuaded hardliners to arrest six committee members who were accused of attempting to make political capital out of a human tragedy. But in the circumstances it was a moderate reaction for while it has neutralised the most active members of the WDC it has also left the rag and the symphonisers at liberty. This controlled escalation was matched by the church which allowed a memorial mass for the dead student to be held in Warsaw, but left the final decision to the last moment, thus limiting the numbers present at what inevitably became a protest against the arrests.

Cardinal Wyszynski, speaking the evening before in Warsaw, did not hesitate to tell the authorities "not to be surprised by the agitation among young people who know their basic rights".

The arrests produced the first protests by intellectuals last week when 17 writers demanded the release of those held. But since then it has become clear that they will be kept for at least three months if not longer. The arrests of a literary critic and pen club member, Mr. J. J. Lipski, who has a weak heart and was waiting to go into hospital for an operation, will generate further protests.

Students are also expected to react although no one envisages anything as drastic as mass meetings and demonstrations.

But the reaction to Mr. Prjas' death has been modest. The four memorial masses held apart from Cracow, the one in Warsaw had the highest attendance—around 1500.

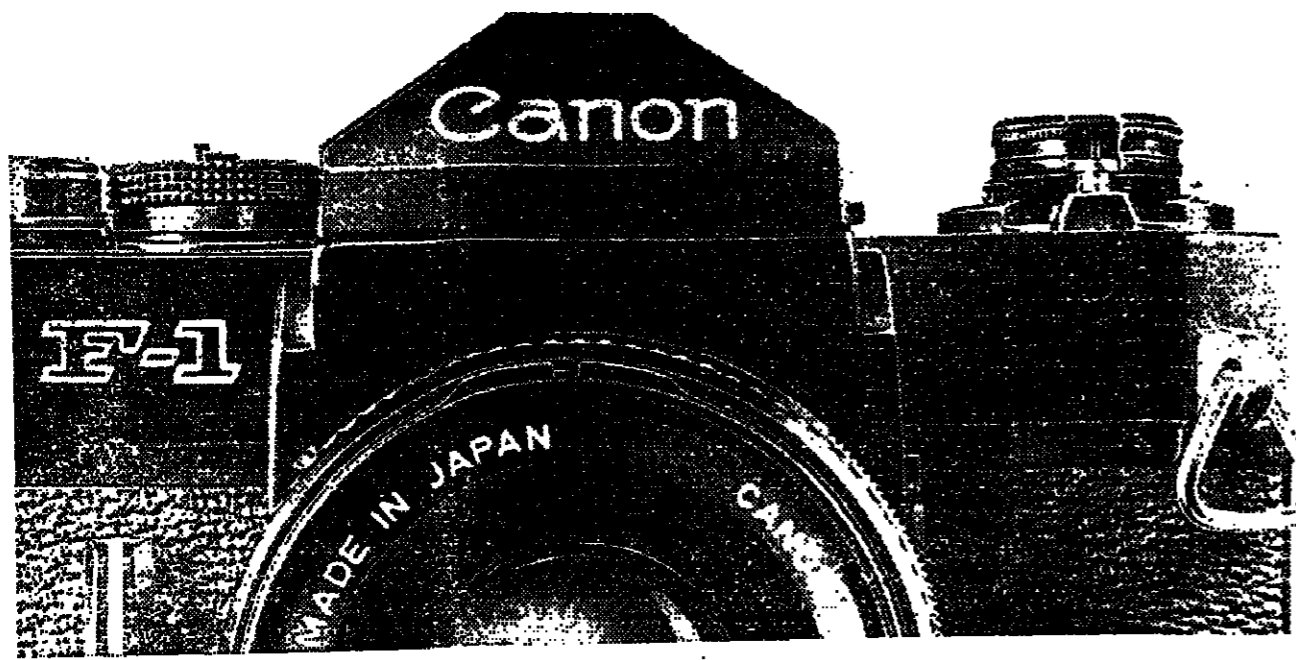
The situation is different in Cracow where a Student Solidarity Committee has been set up which challenges the official student organisation and has some following. The SSC is supported by the almost universal conviction that Mr. Prjas' death was not an accident. Of the local authorities, it seems, are going to have to come up with some solution to the mystery. Notices have already appeared in the local Press asking people to come forward who may have seen Mr. Prjas before he died. All the official statements stress that the investigation is still not over.

Despite the limited reaction among the working class, the care that the authorities took not to provoke any trouble in Cracow two weeks ago and last Friday in Warsaw during the memorial mass stems from the ever present danger of a wider coalition coming together against them.

All the elements of such a coalition were there during that weekend in Cracow. In the Cracow suburb of Nowa Huta, more than 40,000 people, mostly working-class, were attending the consecration of a church they had struggled to build in spite of obstruction by officialdom for 20 years. There was the working class, tired of continuing shortages, and there was the church, which has for the last 18 months been constantly urging the authorities to respect human rights and to stop relying on police repression.

In the centre of town thousands of young people were filing in a silent candle-lit procession through the streets to the walls of the royal castle. A declaration was read out instituting the SSC to help, defend those who suffer repression "for having the courage to manifest their own, independent beliefs".

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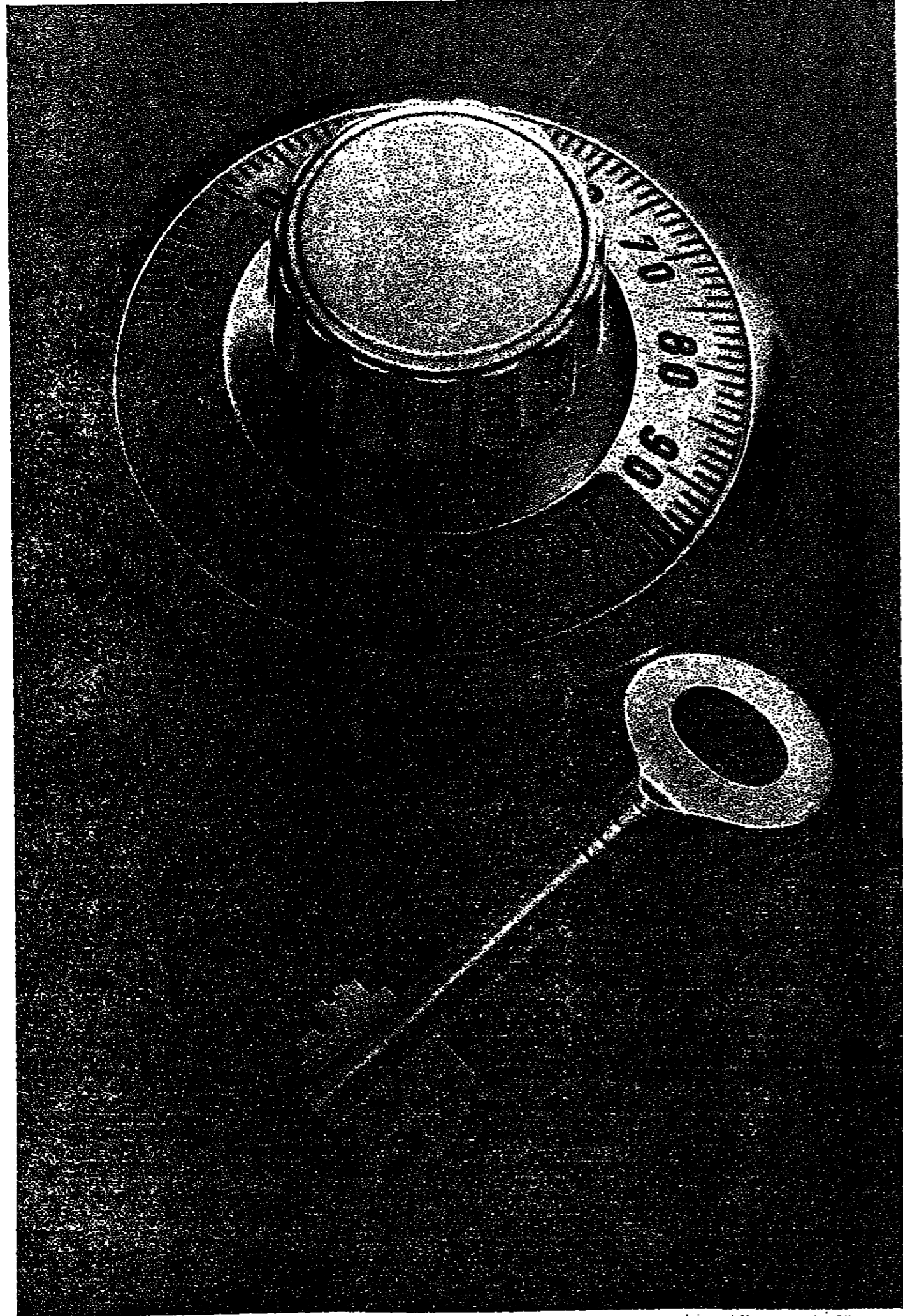
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EUROPEAN NEWS

Sharp rise in Italy's payments balance

Dominick J. Coyle ROME, May 26. DETERIORATION in Italy's overall balance of payments account was reversed last month, according to provisional figures. The deficit was 310bn, against 380bn the previous month, more than Lire700bn in all of last year.

As part of the Libyan deal with the Fiat motor group, apart from which it is clear that the short-term external indebtedness of the banking system is also tending to rise.

Italy's non-petroleum trading account continues in surplus, but the oil deficit is also rising, despite some reduction in net consumption. On balance payments account, the January-April deficit this year is Lire1,967bn (some £1,270m), against an improvement of Lire17bn over the corresponding four months of 1976.

The authorities will be looking anxiously over the next few months for further evidence of a general improvement in balance of payments terms, since it is recognised that a number of special measures have been taken in recent months possibly to distort ordinary seasonal patterns.

These include the amnesty for the repatriation of illegally ported capital, and the various means employed to at least partially overcome the net import deposit surpluses.

Key Kremlin switch he chief of the Soviet Young Communist League has switched to a key Kremlin post, a move seen as further evidence of a change in the leadership of the propaganda department within the party's policy-making Central Committee.

DUTCH GENERAL ELECTION DETAILS Unexpectedly large Labour victory

BY MICHAEL VAN OS THE DUTCH General Election, which was completely overshadowed by the drama being played out in the north-east of the country, where some 150 hostages are being held at gunpoint by South Moluccans, has resulted in an unexpectedly large victory for the PvdA, the Labour party led by Prime Minister Joop den Uyl.

Dramatic A gain of 10 seats has given the party a total of 53 seats in the 150-seat Parliament, more than any Dutch party had secured previously. Despite the dramatic hostage situation, the election also saw a record turnout of 87.5 per cent of voters—billed by Dutch political leaders as "a victory for democracy" in that the Moluccans' actions did not affect voting.

The Premier's election eve appeal to the public to vote and his assertion that this would be the most important general election since the war—at stake, he said, was the continuation of policies Holland's first progressive government—must have contributed to the high turnout, as must have been the use of proxy votes for the first time.

Although Mr. den Uyl today postponed the first steps towards forming a coalition while the hostage crisis is being dealt with, Dutch political leaders mainly agree that a renewed Socialist-Christian Democratic coalition is most likely. The newly-formed Christian Democratic Alliance (CDA), Deputy Premier and Justice Minister Andries van Agt finished a close second with 49 seats. However, the three parties comprising the alliance in effect picked up only one extra seat between them, the second largest number of gains falling instead to the right-of-centre VVD liberal party.

The VVD picked up six seats for a total of 23, on the double platform of law and order and on a vociferous campaign against the Government's economic policy.

THE HAGUE, May 26. quick agreement on major social reform proposals—being pressed by the PvdA. The den Uyl faction wants the proposals pushed through Parliament as soon as possible in the upcoming session, while the Christian Democrats have been demanding certain assurances on the issue of abortion, over which Mr. van Agt has already more than once threatened to resign.

Swallowed The PvdA appears to have swallowed up supporters of most of the small radical Left-wing parties, including a past ally, the FPR, which had stated it would not be prepared to govern again with the Christian Democrats. Very surprising was the extremely heavy losses of the Communist CPN. Its reward for a campaign to join in government with the Socialists was the loss of five of its seven seats.

As regards forming a Government, much will depend on whether the PvdA and the Christian Democrats, who together now command over two-thirds of Parliament's seats, can reach

Western Helsinki positions completed

By Malcolm Rutherford THE WESTERN signatories of the Helsinki Agreement on Security and Co-operation in Europe have all but completed their negotiating positions for the review conference on the implementation of the agreement, the preparatory stage of which is due to open in Belgrade on June 15.

The biggest unknown factor is the attitude of the Soviet Union. Although the procedure for the review conference is laid down in the Helsinki Agreement, the Russians have been indicating that they would like to see some changes. In particular they appear anxious to avoid being put in the dock for their performance on human rights—one of the main issues covered by the Agreement.

To this end, they have been suggesting that the review conference should be given "a political concept". This is understood to be shorthand for an arrangement that neither side should be embarrassed by the meeting.

The Western response is that there already is a political concept. This consists of the procedures laid down in the Helsinki Agreement. The Helsinki text calls for a "thorough exchange of views on the implementation" of the Agreement at a meeting "at the level of representatives appointed by Ministers of Foreign Affairs".

Fianna Fail would repeal anti-terror laws, says Lynch

By GILES MERRITT DUBLIN, May 26. CLAIMING certain victory in Ireland's June 16 general election, Mr. Jack Lynch, the Opposition leader today, unveiled the details of his Fianna Fail party's manifesto. The coalition Fine Gael-Labour Government, that last night announced the election date after moving to dissolve the Dail (lower house), is to reveal its counter-proposals to-morrow.

As part of its campaign programme, Fianna Fail has indicated that it will repeal the Emergency Powers Act, the legislation containing stringent anti-subversion measures introduced last autumn after the Provisional IRA assassinated Mr. Christopher Ewart-Scott, the British Ambassador to Dublin. It would also "re-examine" the Criminal Law Jurisdiction Act, popularly known as the "no hiding place" law, justly passed by Ireland and Westminster to ensure that terrorists cannot use the border to evade justice.

Entitled An Action Plan for National Reconstruction, the Opposition's manifesto contains ambitious economic plans that would combine major tax and rates cuts—notably the abolition of car tax on vehicles up to 15 hp—with an employment creation scheme aimed at producing 80,000 new jobs by 1980. Fianna Fail claims there are now 160,000 unemployed in Ireland, although the Government figure is 112,000 or 12 per cent.

Looking sustained and relaxed, Mr. Lynch told a Dublin Press conference "the political climate is in our favour". Although Ireland's pundits are already predicting that Mr. Liam Cosgrave's Government will be the first coalition administration in Ireland ever re-elected to a second term in office, Mr. Lynch said he believed a swing of 3 per cent in the key Dublin constituencies would mean victory. Almost a quarter of the 2m. or more voters in Ireland are school-leavers, all first-time voters, many of whom are having to contend with the Republic's serious jobs crisis. At the same time, Dublin, is being identified by both the Government and opposition parties as the critical "winning" area of the election, and unemployment in the city has risen by 60 per cent in the past 18 months.

W. German trade surplus down sharply in April

BY ADRIAN DICKS BONN, May 26. WEST GERMANY'S trade surplus declined during April to DM2.9bn, from DM4.2bn registered in March. The April figures leave a cumulative surplus of DM11.9bn for the first four months of 1977, but do not seem to throw much light on the underlying trend.

Both imports and exports fell sharply in April, following the equally abrupt increase registered in March from the February levels. Imports amounted to DM18.9bn, and exports to DM21.9bn, compared to DM21.5bn and DM25.3bn, respectively in March.

Belgian parties agree on European election system

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT BRUSSELS, May 26. THE LEADING political parties in Brussels, which is predominantly French speaking but located inside Flanders, will have no candidates of their own but will be free to vote for candidates on either list. The 24 seats will be allotted between the regions roughly on the basis of population.

Jonathan Carr adds from Bonn: The Bundestag today began the legislative procedure needed to prepare West Germany for direct elections to the European Parliament. It gave a first reading to the Bill ratifying the agreement on direct elections reached by EEC leaders last year. There is full accord among all parties on the principle of the elections, but differences remain between Government and opposition on the electoral system to be used.

Arab oil prices

Sheikh Zaid bin Sultan al-Nahyan, President of the United Arab Emirates, has called for a special meeting of Arab oil-producing countries to unify their attitude to oil prices, the weekly al-Hawadess said here yesterday. Reuter reports from Beirut.

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been paid to the driver's position. He has an excellent view of the road and the sense of complete mastery over the car. The 528 has, as standard, speed related power steering—the power assistance is at maximum for parking yet reduces at speed to give road 'feel'. As with all BMW's considerable research has gone into both 'passive' and 'active' safety. Should the worst happen the car has an overall integrated system to absorb impact energy. But the chances that this should happen are dramatically reduced because of the car's handling and response to the driver. The pleasure of driving the car also acts as a positive safety factor since it keeps the driver interested in and concentrating on the road. The effect of the Five Series' performance in any conditions is to make even the most trying journey safer and shorter not only in real time, but also in the time one feels one has been driving. If, after such a journey you still feel that you could happily drive for another hour or so then the worst they offer must be very good. Such cars are the BMW Five Series.

Table with 6 columns: BMW model (518, 520, 520i, 525, 528), Engine, Max. Speed, 0-60, Fuel Consumption, and Price. Includes a note: (BMW 520, 525, 528 Auto £390 extra.)



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WORLD TRADE NEWS

Rolls-Royce in talks on supplying Airbus engines

MICHAEL DONNE IN LONDON AND DAVID CURRY IN PARIS

POSSIBILITY of Rolls-Royce RB-211 aero-engines being used as an alternative power-plant on the European A-300...

Kuwait 'buys Vosper gunboats'

By Roy Rogers, Shipping Correspondent

VOSPER THORNYCROFT, the Southampton-Portsmouth shipbuilders, may have won a contract for 10 fast patrol boats for Kuwait worth more than £100m...

Bankers 'watchful but not alarmed' by Turkish debt position

BY METIN MUNIR

ANKARA, May 26.

THE ATTITUDE of international bankers here towards Turkey's difficult and worsening hard currency reserve position is one of "watchfulness"...

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ECGD move on currency risk

By Margaret Hughes

EXPORT CREDITS guarantee payment is drafted proposals should remove a major section which contractors have the foreign currency buyer...

Interim team to manage Kenana

By Alan Darby

THE KENANA Sugar Company's shareholders meeting, which terminated Louhr's management contract with the company last weekend, appointed the chairman of the Hawaiian-based Alexander and Baldwin, Mr. Wayne Richardson, to be among the four-man transitional committee that is now running the company.

600m Singapore plant approved

CHARLES SMITH

TOKYO, May 26.

JAPANESE Government has decided to give its support to a \$600m-plus petrochemical plant to be built in Singapore...

U.K. to investigate lifting gear imports

Financial Times Reporter

MR. EDMUND DELL, British Trade Secretary, has decided that there is sufficient evidence of dumping and material injury to undertake a full anti-dumping investigation into imports of hydraulic lifters from Sweden...

U.S. interest in coal process

By David Bell

WASHINGTON, May 26.

CONGRESSIONAL subcommittee was today hearing a presentation by a British company which might sell its new process to reduce by two-thirds the cost of meeting strict American environmental standards for the burning of coal...

Brazil may seek change in EEC pact

By David White

RIO DE JANEIRO, May 26.

Brazil may seek alterations in the bilateral trade agreement with the EEC, due to be renewed next year, the Foreign Ministry said today.

Who offers you more comfort between Britain and Germany?



Choose your Airbus connection in our Yellow Book.

Relax in the wide-bodied comfort of Lufthansa's European-made Airbus which operates from Heathrow to Frankfurt. Daily flight LH037 from Heathrow 19-00, arriving Frankfurt 20-25, returning next day LH034 16-35 and arriving Heathrow at 18-10. Ask your travel agent or Lufthansa for the Yellow Book.



Lufthansa German Airlines

HOME NEWS

Drop in manufacturers' capital spending

By Michael Blanden

CAPITAL SPENDING by manufacturing industry dropped in the first quarter of this year, contrary to general expectations of a recovery in investment. The official view is that the disappointing results of one quarter do not indicate a reversal of the recent upward trend. But it is clear that there will have to be substantial growth in the next few months if the Government's projected rise in investment is to materialise.

Manufacturers' stocks rose by over £200m in the first quarter. Stocks of all assets seem to have increased, with holdings of materials and fuel up by about £300m after the heavy destocking in 1975 and 1976, work in progress up by about £90m, and finished goods by about £70m.

Table with 4 columns: Year, Total, Manufacturing, Total. Rows for 1974, 1975, 1976, 1977. Includes a note: * provisional

SOURCE: DEPARTMENT OF INDUSTRY

New junior accounting exam likely

By Michael Lafferty, City Staff

DISAGREEMENTS between some major accounting bodies seem likely to end in the establishment of a new junior accounting qualification which would compete with one already operated by the Association of Certified Accountants.

Review body attacks doctors' pay structure anomalies

By Stuart Alexander

SERIOUS DISTORTIONS caused by the way in which the new contract for junior hospital doctors and dentists has been implemented are criticised in the seventh report of the Review Body on Doctors and Dentists Remuneration published yesterday.

problems for the future when the time comes—as come it must—for the cash supplements to be consolidated into the salary and fee scales and for appropriate differentials again to be introduced.

Prescription cash call

By Our Labour Staff

THE GOVERNMENT was warned yesterday that the availability of doctors' prescriptions to the public could be jeopardised if chemists were not paid more by the National Health Service for dispensing medicine.

Jackson confirms closure

JACKSON the Tailor, part of the Burton Group, yesterday confirmed that it is to close one of its two factories in Sunderland because of a recession in the clothing industry.

Mason to meet Paisley to-day

By Our Belfast Correspondent

THE FIRST meeting between Mr. Roy Mason, Northern Ireland Secretary, and the Rev. Ian Paisley since the end of the abortive 11-day loyalist strike will take place to-day.

2,000 lay-offs

Two thousand workers at three Midlands factories are to be laid off for a fortnight because of a drop in orders to Decca the giant electrical group.

New Army leader for Ulster

By Giles Merritt

THE NEW British Army General Officer Commanding in Northern Ireland was appointed yesterday, Timothy Creasey, 54. He is expected to take over from the present GoC, Lt-General Sir David House, in the autumn.

Westinghouse suit

AMERICAN court orders requiring production of documents and evidence in England for use in a libel damages action begun in the U.S.A. against the Westinghouse Electric Corporation were upheld, with variations, by the Appeal Court in London yesterday.

Hovertrains ruled out

By Ian Hargreaves, Transport Correspondent

BRITAIN WILL neither need nor be able to afford a hover-train alternative to the British Rail's existing high-speed train technology this century, according to a White Paper on advanced ground transport published yesterday.

Report on GLC by end of year

By Stuart Alexander

THE Marshall report on the future shape of the Greater London Council should be published in outline by the end of the year. It will come after an inquiry, promised by the ruling Tory party, in which Sir Frank Marshall, a Leeds solicitor, hopes to receive evidence from Whitehall, MPs, other boroughs, institutions and the public.

Chocolate price rise likely to be 30%

By John Edwards

CHOCOLATE PRICES were likely to rise by at least 30 per cent. on average this year, compared with last year, because the cost of cocoa has quadrupled in the past 12 months. Mr. Gareth Hunt, marketing director of Cadbury-Schweppes, forecast yesterday.

Engineering orders on hand 30% below 1973 peak

By Kenneth Gooding, Industrial Correspondent

THE difficulty the engineering industry is having to climb out of the recession is reflected in the Department of Industry statistics published to-day. They show that order books in February were only 3 per cent. in volume better off than at the depths of the trough in demand last summer.

Shirley Institute considers wider role

By Rhys David, Textiles Correspondent

THE MANCHESTER BASED Shirley Institute, one of Britain's main textile research associations, is expected shortly to complete a major review into whether it should safeguard its future by fundamentally changing the scope of its operations.



MR. PHILIP SMITH, Shirley Institute chairman, stressed yesterday that the institute was in no immediate difficulties...

Market losses

It was pointed out that, in any event, market losses by chocolate products would be made up by increased sales of sugar confectionery, the prices of which are expected to rise by only 8-9 per cent., well below the anticipated retail price index increase forecast at 17 per cent. this year.

Machine tool orders up but companies sombre

THE MOOD of machine tool manufacturers remains sombre in spite of a strong surge in new orders at the beginning of the year, confirmed to-day by the Department of Industry statistics.

No difficulties

Dr. Philip Smith, the Shirley Institute chairman, stressed yesterday that the institute was in no immediate difficulties, and that the institute was in no immediate difficulties, and that the institute was in no immediate difficulties.

Airport limits proposed

By Michael Dome, Aerospace Correspondent

THE DEVELOPMENT of a fourth passenger terminal at Heathrow should be permitted as a means of relieving congestion at the airport, but further development beyond that should be resisted and much greater use made of Gatwick to the south of London and Stansted to the north.

Century oils waits for merger report

By Ray Dafer, Energy Correspondent

CENTURY OILS should hear within the next fortnight whether or not it has won its fight to remain independent. The Monopolies and Mergers Commission has prepared its report on British Petroleum's proposed £4.2m. take-over of Century.

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Gateways may switch stamps

By Elinor Goodman, Consumer Affairs Correspondent

GATEWAYS, the West Country supermarket group which took over Green Shield's main trading stamp competitor two years ago, is expected to announce to-day that it is dropping its own Pink Stamps from most of its stores and going over to Green Shield Stamps.

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Handwritten signature or mark at the bottom of the page.

British airways ANNOUNCE

Friday, May 27, 1977



Special economy-fare cabins in 747s make it easier to work A TOUCH OF CLASS FOR EXECUTIVES

Advertiser's Announcement
We'll take more care of you



More services to Scandinavia

THE DEMAND for flights to Scandinavia, from businessmen and tourists, has never been greater and British Airways is meeting that challenge by offering even more services to the most northerly part of Europe. Since May 2, Stockholm has had twice-daily flights from Heathrow with the introduction of a new flight at 11.40. On May 30, the London-Oslo service is being stepped up from seven to 12. There are flights from London to Gothenburg every day except Saturday. Copenhagen has a twice-daily service from London, with wide-bodied TriStars operating the afternoon flight every day except Saturday. A daily service to Helsinki leaves London at 11.30. First-Class facilities are available on all flights from London. Scheduled flights to Copenhagen also leave from Manchester on Wednesdays, Thursdays and Fridays at 11.50.

EXECUTIVE TRAVEL with an extra touch of class is now available on British Airways 747 jumbo flights to nearly 40 destinations worldwide. After a year-long experiment with an Executive Cabin on board the London-Hong Kong service, British Airways has now introduced the facility on almost all its scheduled 747 flights.

For the cost of a normal economy ticket travellers are offered the opportunity of a seat in the Executive Cabin which is situated immediately behind the First Class area.

Designed chiefly for the business traveller who wants to work in peace or just relax in a tranquil atmosphere, the Executive Cabins are curtained off from the rest of the economy area.

The 48-seat cabin gives passengers the choice of smoking or non-smoking areas.

There are several pleasing touches—early choice of duty-free goods, early service of food and drink, hot linen towels, more newspapers and magazines. Because the Executive Cabin is aimed at the business traveller, there is no inflight movie in the executive cabin but, if space is available, arrangements can be made to see a movie in the main economy cabin.

Accompanied children travelling at 50 per cent of the economy rate are allowed in the Executive Cabin but infants under two are excluded.

A British Airways official said: "The successful experiment on the Hong Kong flight proved there is a demand for Executive Cabins. When the trial period was over we did not hesitate in introducing it to almost all our 747 flights."

fortable and relaxing." But because only 48 seats are available on each flight it is essential to request the Executive Cabin when booking on a British Airways 747 service. Seats cannot be guaranteed. Passengers, therefore, are advised to check in as early as possible.

They will also be provided on all USA routes except between London and Chicago.

Executive Cabins will be provided on all British Airways 747 routes between Britain and the Middle East, India, Far East, Australia, Canada, Caribbean, East Africa, South Africa and the Indian Ocean Islands.

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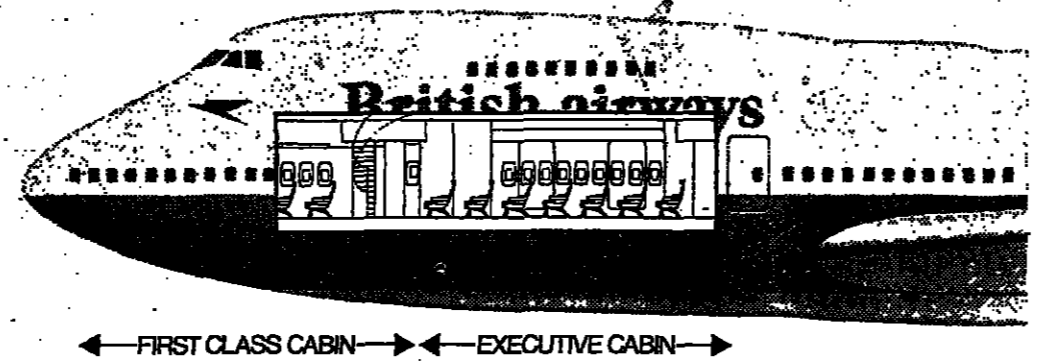
...and a touch of class for the girls' uniform



THIS IS the new air of elegance for stewardesses and ground customer service girls. The pin-stripe styling gives the uniform a classic British look. The complete uniform—which also includes trousers, a dress, a topcoat and a raincoat—was designed by Baccarat Wetherall after consulting hundreds of girls who work for the airline around the world. Eighty girls will wear the uniforms in test trials this summer, and the issue of the uniform to the other girls will start next year.

Companies can take a load off their minds

IT IS all very well concluding a dollar earning Transatlantic export order but often the problem can be in meeting those promised delivery dates. The Americans quite rightly expect prompt deliveries and that is where British Airways vastly experienced Cargo experts can step in to save the day. Now you can fly your goods to the USA cheaper than ever before and, of course, flying is the quickest way to get them there. In fact, some of British Airways new contract rates can be as cheap as sending them by ship. For example, to Boston it costs only 30p a kilo. (For containerised cargo subject to a contracted minimum annual tonnage) And British Airways 747 passenger services can carry up to 16 tonnes of exports. There are two 747 flights from London to New York every day and one to Boston, Detroit, Philadelphia, Washington and Miami. New York also has nine 707 all-freight flights a week, each with a 28 tonne capacity. Cargo can also be sent on flights from Manchester and Prestwick. Further information is available from your local British Airways Cargo office or cargo agent.



FIRST CLASS CABIN EXECUTIVE CABIN



Cartoon by Ross

Flights ready to boost exports to West Europe

LAST YEAR British exports to West Europe— from Holland down to Spain and Portugal—were a record but not good enough to offset imports. In 1977, with the home economy showing favourable signs, it is even more vital for British business traveller to step up the export drive to these important markets.

But British Airways is doing all it can to assist the export push. More flights than ever are operating into West Europe at times to help the business traveller, and TriStar now flies to Amsterdam.

Of course, London Heathrow is the traditional departure point for European travellers. But British Airways is also concentrating on improving direct services into Europe from regional airports.

FRANCE is Britain's biggest market in this part of Europe but last year we imported £381 million more from our cross-Channel neighbours than we exported.

Now British Airways has seven summer flights a day to Paris, starting at 0800 and every two hours until 1800 with an additional 2030 service. TriStars will be operating on four of the weekday flights.

Birmingham, Manchester, and Cardiff/Bristol all have Paris-bound flights most weekdays and regular services also leave London for Lyon, Marseille and Bordeaux.

HOLLAND too exported more to Britain last year than we exported. A staggering £927 million more. The Dutch are always anxious to buy British and Amsterdam, their business capital, is now only a short TriStar flight from London.

Time TriStar leaves London for Amsterdam at 0755, a convenient departure time for business travellers, and there are seven more British Airways flights a day, except Saturday. Regional flights to Amsterdam leave from Birmingham and Manchester.

BELGIUM and LUXEMBOURG proved to be good markets for Britain in 1976. We had a trade surplus of more than £100 million with them.

Brussels, the headquarters of the Common Market Commission, has four British Airways flights every weekday from London, the first departs at 0805. There are extra

TriStar flights from Brussels on Wednesday, Thursday and Friday for returning travellers. First Class facilities are available on all flights. Luxembourg too has an improved service.

SPAIN and PORTUGAL services have also been improved by British Airways. Madrid now has three TriStar flights a week. The twice-a-day scheduled service to the Spanish capital is also augmented with an extra flight on Tuesdays which flies on to Gibraltar.

Barcelona, Bilbao and Valencia are also on the British Airways Spanish destination board.

Lisbon now has six direct flights a week from London plus the London-Oporto-Lisbon service on Sundays.

On top of the improved schedules, British Airways can also offer business travellers special packages which include hotel and air fare and help keep the cost down. Trade Fair and Conference Advisory bureaux are available to assist business travellers and there are now eight British Airways Associate Hotels in this part of Europe. They are all ideally situated.

For reservations or further details, see your travel agent or British Airways shop

Cash in and escape with French Leave

HOLIDAYMAKERS who may have been hit in the past by currency surcharges can now get a currency bonus. Sterling's stability has made it possible to reduce a selection of brochure prices in the exciting French Leave tour programme.

So hurry to a travel agent or British Airways shop—and cash in.

The French Leave brochure as holidays in Paris, la Côte d'Azur, Provence, Aquitaine, Normandy, Camargue and more. There are also cruises and motorhome holidays.

The waterway cruises through Burgundy are particularly attractive, and are operated by the British-registered hotel group, Alliances. These cruises last six nights, and the price includes scheduled flights to Paris.



HOME NEWS

Penalties for late returns

Financial Times Reporter
DIRECTORS and other company officers who are persistently late in filing statutory returns with the Registrar of Companies could face disqualification from being directors or managers under provisions of the Companies Act, 1976, which take effect on June 1.

Exchange control change could have big impact

BY MICHAEL BLANDEN
A CHANGE in the official practice on exchange control regulations announced yesterday could have a big impact on U.K. holders of foreign securities.

depositories, such securities are technically not eligible for the investment currency premium on the proceeds of sale. The Bank of England, however, has so far been giving special treatment in certain circumstances. It has been prepared to give permission for such securities to be sold with the benefit of the investment currency premium even if they have not been deposited with an authorised depository, provided any losses to the reserves from the failure to deposit were made good.

Assembly idea dropped by SNP

By Ray Ferman
THE Scottish National Party threw down the gauntlet to the Government yesterday with a declaration from Mrs. Margo MacDonald, senior vice-chairman, that the price of devolution was too high. The only way ahead was independence, she said.

Mentmore Drouais at National Gallery



By William Packer
The pick of the collection from Mentmore, a large length portrait by Francois Boucher Drouais of the aging Madame de Pompadour, began in 1763 and finished after her death early the following year, is on show in the National Gallery.

TREND OF INDUSTRIAL PROFITS ANALYSIS OF 254 COMPANIES

The Financial Times gives below the table of company profits and balance-sheet analysis. This covers the results (with the preceding year's comparison in brackets) of 254 companies whose account year ended in the period between July 15, 1976, and October 14, 1977, which published their reports up to the end of April, 1977. (Figures in £000.)

Table with 15 columns: Industry, No. of Cos., Trading Profits, Profit before Int. & Tax, Pre-Tax Profits, Tax, Net Profit, Dividends, Cash Flow, Net Capital Employed, Net Current Assets. Rows include BUILDING MATERIALS, CONTRACTING & CONSTRUCTION, ELECTRICALS, ENGINEERING, MACHINERY TOOLS, MISCELLANEOUS GOODS, TOTAL CAPITAL GOODS, ELECTRONICS, HOUSEHOLD GOODS, MOTORS & COMPONENTS, MOTOR DISTRIBUTORS, TOTAL CONSUMER DURABLES, BREWERIES, DISTILLERIES & WINES, HOTELS & RESTAURANTS, LEISURE, FOOD MANUFACTURING, FOOD RETAILING, NEWSPAPERS AND PUBLISHERS, PACKAGING AND PAPER, STORES, CLOTHING AND FOOTWEAR, TEXTILES, TOBACCO, TOYS AND GAMES, TOTAL CONSUMER NON-DURABLES, CHEMICALS, OFFICE EQUIPMENT, SHIPPING, MISCELLANEOUS INDUSTRIAL, TOTAL INDUSTRIALS, OIL, BANKS, DISCOUNT HOUSES, MERCHANT BANKS, HIRE PURCHASE, INSURANCE, INSURANCE BROKERS, INVESTMENT TRUSTS, PROPERTY, MISCELLANEOUS FINANCIAL, TOTAL FINANCIAL, RUBBERS, TEA, TIN, MISCELLANEOUS MINING, OVERSEAS TRADERS, TOTAL COMMODITIES.

Schimmelpenninck cuts prices of its cigars

BY STUART ALEXANDER
PRICES OF Schimmelpenninck cigars are to be reduced by between 5p and 20p a pack because of a switch in U.K. law. From October, flavoured additives will be allowed in all tobacco products under a recommendation by the Hunter committee on harmonisation of EEC laws next January.

The Queen to open air terminal

By Ray Ferman
THE QUEEN will open the new terminal building for Edinburgh airport today. With the new runway opened last year it will cost £15m, and means the airport has almost a new airport.

British genius on show

ELEVEN NOBEL prize-winners met yesterday at the launching of the British Genius Exhibition, a Jubilee year celebration, which it is hoped will attract a million visitors.

Use oil wisely

BY JOHN ELLIOTT, INDUSTRIAL EDITOR
NORTH SEA oil was Britain's chance this century to sort out its economic problems and, therefore, should not be used for a "consumption bonanza" Lord Watkinson, president of the Confederation of British Industry, said yesterday.

Variable Rate Treasury Stock, 1981

Advertisement for Variable Rate Treasury Stock, 1981. Includes details on interest payable half-yearly on 17th May and 17th November, conversion to fixed rate and optional redemption. Features a table of preliminary results for 1977 and 1976, and a table of earnings per ordinary share.

American Express Fee Notice

American Express Company announces that with effect from June 1st 1977 the annual renewal fee for the American Express Card will be increased from £7.50 to £10.00. In addition new Cardmembers will be required to pay an enrolment fee of £10.00. The annual fee of £6.00 for Supplementary Cards will not be increased.

NOTES ON COMPILATION OF THE TABLE
The classification follows closely that of the Institute and Faculty of Actuaries, which has been adopted by the Stock Exchange Daily Official List.
Col. 1 gives trading profits plus investment and other additional income property belonging to the financial year covered. The figure is struck before charging depreciation, loan and other interest, directors' emoluments and other items normally shown on the profit and loss account. Excluded are all exceptional or non-recurring items such as, for example, capital profits, unless the latter arise in the ordinary transaction of business.

HOME NEWS

Oil consumption falls 1% in January-March

BY RAY DAFTER, ENERGY CORRESPONDENT

CONSUMPTION dropped in the first three months of this year, a further setback for the industry, which has seen demand falling consistently since 1973 crisis.

The latest Government Energy report, out yesterday, says that inland consumption of a primary fuel import was 22m. tonnes in the three months to the end of March, just 1 per cent. lower than the corresponding period of 1976.

All the other major fuel supplies — with the exception of electricity — registered increased demand.

The Department of Energy reported that the output of refined products was 1.6 per cent. higher than last year, thanks to a call for export fuel oil. Production of fuel oil rose by 10.1 per cent, although inland deliveries were down 4.2 per cent.

Total inland energy consumption in January-March was 22.2 per cent. up on the same period in 1976.

Natural gas demand rose by 10 per cent to 11.8m. tonnes of equivalent. Unlike coal and production of gas has continued to increase throughout 1977.

However, Energy Trends shows that total gas sent out during the three-month period February-March was 4.6bn. therms, slightly less than in the same quarter in 1976.

Total consumption in the January-April period was 2.5 per cent. higher, most of this increase being due to the 1.1m. tonne rise in power station consumption. Deliveries to industry were 12.3 per cent. up, continuing the month-on-month increase started last autumn.

Deep-mined coal production during the same period fell by 1 per cent. As a result, coal stocks fell by nearly 250,000 tons during April. At the end of the month stocks were 2.75m. tons lower than last year.

Fuel for electricity generation during the first quarter was 3.4 per cent. up on 1976. Coal and nuclear power met the increased demand, while the use of oil and gas for power generation fell.

INLAND ENERGY CONSUMPTION (Primary fuel input basis)

	Total	Coal	Oil	Gas	Nuclear electricity	Hydro-electricity
	(million tons of coal or coal equivalent)					
1971	325.7	137.3	148.8	28.4	9.7	1.7
1972	322.7	126.5	159.4	40.3	10.5	1.8
1973	347.9	136.8	161.6	43.4	9.9	2.0
1974	352.2	116.0	150.1	57.1	11.9	2.1
1975	319.7	118.1	134.4	54.5	10.8	1.9
1976	324.7	128.1	132.1	57.9	12.7	1.9
1977 1st qtr.	94.7	34.6	37.0	19.1	3.3	0.7
1977 1st qtr. '76	96.8	35.7	34.8	19.7	4.0	0.6

* Provisional
Source: Department of Energy

Production hold-up in Forties

By Our Energy Correspondent

THERE WAS a mild hiccup in the build-up of North Sea oil production last month. Department of Energy figures show that output in April averaged 713,000 barrels a day, virtually the same figure as in March.

The increasing production was interrupted largely by a maintenance operation involving a riser pipe on British Petroleum's Forties Field. The Government still hopes that the North Sea will be providing between one-third and a half of Britain's oil by the end of this year.

Meanwhile the U.S. Occidental group has confirmed that output from its Piper Field is much higher than originally expected.

Dr. Armand Hammer, its chairman, told shareholders that sales of Occidental's 36.5 per cent. of production had already totalled more than \$30m. since oil began to flow in January.

The field, he said, was now producing 290,000 barrels a day.

Redpath Dorman yard finishes last North Sea platform

BY RAY DAFTER

ANOTHER North Sea platform construction yard ran out of work yesterday when a structure for the Norwegian sector was towed away from Redpath Dorman Long's Methil site in Fife.

The platform deck structure was beginning the first stage of its journey to the Phillips Group's Edda Field.

British Steel Corporation, Redpath's parent, said that the completion of the contract marked the glimmering dawn of the Methil company.

The company laid off 300 men on Wednesday, leaving the yard manned by about 160, mainly apprentices and staff working on tenders for new orders.

British Steel said it intended that the yard — opened five years ago — would stay in the offshore platform business. Competitive tenders were submitted for all work for which Methil's facilities were suited.

Four of the eight U.K. platform building sites are now without work: Methil, Laing Offshore's Graythorpe yard, the Portavadie site of Sea Platform Contractors and ANDOC's Hunterston facility.

The workload has dropped to six platforms within the past week, after the delivery of the Heather structure by McDermott of Ardersier.

Airport noise grants raised

GRANTS to householders living near Heathrow and Gatwick airports to sound-proof their property are to be increased by nearly one-third from next week, the British Airports Authority said yesterday.

Eligible householders in the inner areas will receive £740, an increase of £180, while outer areas will receive £470, a rise of £113. The average increase is 32 per cent.

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Incorporated in Australia with limited liability.

Further fall in sterling forecast

BY DAVID FREUD, INDUSTRIAL STAFF

A FORECAST that sterling would decline to about \$1.86 by the end of the year from its present level of just under \$1.72 was predicted in London yesterday by a foreign exchange specialist.

Mr. Barry Hesketh, joint managing director of Forex Research, said at a conference arranged by the Financial Times and The Banker in conjunction with Forex on the management of foreign exchange risks that sterling would depreciate by about 12 to 15 per cent. over the next 12 months in terms of its effective exchange rate.

The main factor deterring the weakening was inflation, which was expected to come down, but still to be in the area of 13 to 14 per cent. by the end of the year.

Also, the U.K. authorities, while wishing to maintain the present cross-rate with the U.S. dollar to gain union acceptance of another period of restraint, were not expected to intervene massively in the last year to support the rate for the event of a substantial switching out of sterling.

Because of inflation an effective depreciation of about 8 per cent. would be required over the next 12 months to maintain present levels of competitive-

ness, the only way the U.K. would be able to maintain let alone improve its export performance.

Yen value

Both the other two weak currencies, the French franc and Italian lira, would continue to fall, he predicted.

The yen was likely to exhibit a gradual appreciation of about 8 per cent. over the next year, it was expected to remain fundamentally undervalued at about 255-260 to the dollar.

Mr. Audrey Kidek, also joint managing director of Forex, said that the solidarity of the EEC currencies were likely to stay relatively stable over the next year because of the Saudi Arabian desire not to disturb the economic recovery of the Western world. However, it could not remain that way for much longer, whether or not there was another crisis in the Middle East.

Currencies often tended to be substantially incorrectly valued in the forward markets, said Dr. Paul Armstrong, senior consultant at Forex.

In his address on forecasting exchange rates, he said that that there would be no intervention to oppose upward market pressures on the mark, apart from normal smoothing operations.

Commodity prices were likely to increase between 10 and 15 per cent. in the next year according to Mr. Robert Perlema, chairman of Forex, in his assessment of oil and commodity prices and their impact on exchange rates.

Abnormally high stocks had been accumulated in many parts of the world of major industrial inputs and a lagged reaction of prices to any big acceleration in the present trends of recovery would have to run these down before really startling movements in price were possible.

Oil, by far the most important commodity in international trade, would be the key factor. Prices were likely to stay relatively stable over the next year because of the Saudi Arabian desire not to disturb the economic recovery of the Western world. However, it could not remain that way for much longer, whether or not there was another crisis in the Middle East.

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FINANCIAL TIMES

The Management of Foreign Exchange Risks CONFERENCE

Exchange rate adjustment had less effect than they had expected, just because the rate was depreciated it did not mean that the actual operating companies suddenly became strong.

In the afternoon forum on exchange rate risks, Dr. Johann Goris, finance department manager of Philips, underlined the importance of currency movements to companies.

"Profit margins in many sectors of the economy are so low that a 5 per cent. movement can change the picture from profit to loss." In the last few years currencies had been fluctuating over a range of plus or minus 30 to 40 per cent.

Other speakers were: Mr. R. W. Archer, deputy finance director of Unilever; Mr. Olof Sjosstrom, senior vice-president of Volvo; and Mr. D. R. E. Taylor, treasurer of IBM U.K.

North-West recovery forecast

By Our Northern Correspondent

SLOW and gradual improvement in the North-West region's economic fortunes is forecast in an annual report published yesterday by the North-West Industrial Development Association.

The report will be presented at the annual meeting at Widnes in June 17, when Mr. Albert Booth, Employment Secretary, will be the guest speaker.

It said that in the past year the North-West had been strongly influenced by unprecedented industrial and financial uncertainties, but there were hopeful signs that the storm had been turned.

The report is critical of footloose industry, particularly in the media, on national shortcomings and insufficient attention being paid to achievements.

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Over the years, Bosch have developed fuel injection systems to give higher performance and efficiency. Gradually the cost of these fuel injection systems has been significantly lessened with the result that fuel injection is today fitted to cars in the medium pricerange. Fuel injection gives improved performance.

Moreover, in this age of escalating petrol costs, a further advantage is of even greater importance: fuel injection can cut petrol consumption by up to 10%.

Other benefits include purer exhaust, a better cold start and a smoothiss running engine.

The fuel injector supplies the engine with only as much fuel as it needs: always precisely the right measure for perfect combustion, whether the engine is cold, hot, idling, or running under a full load.

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The continuing development of fuel injection. Bosch produced the first fuel injection systems for cars in 1951.

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Many of the goods people buy in their supermarkets have been packed with machines produced by Bosch. These provisions may be stored in a Bosch refrigerator or freezer in a Bosch kitchen.

Television viewers will have seen the Olympic Games through Bosch eyes, as many of the sporting events were televised by Bosch Fernseh cameras. News and entertainment in cars can be received with Blaupunkt auto sound systems.

Bosch electric power tools are at work on construction sites worldwide. Bathrooms and kitchens are equipped with Bosch fittings and built-in units. Deep-cooled blood stored in many European hospital blood-banks is restored to body temperature with Bosch medical equipment.

Bosch employs 5,700 people in research and development alone. Bosch have at present 10,000 patents throughout the world, with 15,000 pending.

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For some, it wins races. For others, it saves petrol.

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LABOUR NEWS

Bristow strike hits airport

BY OUR LABOUR STAFF

ABERDEEN AIRPORT became pilots' union deputy general secretary's victim of the North Sea hell- yesterday met Trans- porters dispute yesterday when port and General Workers Union the British Airways Authority ship stewards representing was announced that it will close the kers at oil refineries owned by airport indefinitely for fixed- companies served by Bristow wing scheduled commercial flights.

Colliery managers resent treatment

By Alan Pike, Labour Staff

COLLIERY managers are becoming increasingly resentful at the difference in treatment from the National Coal Board between them and members of manual unions. Mr Norman Schofield, president of the British Association of Colliery Management, said yesterday.

TUC 'has not given unions lead needed'

BY OUR LABOUR CORRESPONDENT

THE TUC is accused today of failing to give its affiliated unions a lead in fighting unemployment and failing to insist that the Government honour its side of the social contract. The criticism, the second of its kind in two days, comes from the Institute for Workers Control in a statement on unemployment signed by about 40 noted left-wing Labour MPs and trade union leaders.

Hawker union wins appeal

By Our Labour Staff

STAFF at Hawker Siddeley Dynamics of Hatfield, Herts, yesterday won their appeal against the Certification Officer's refusal to grant them a certificate of independence. Their appeal—the first successful claim by a trade union—was upheld by the Employment Appeals Tribunal, which ruled that the Association of HSD (Hatfield) Employees was independent of employers' influence.

Current Cost Accounting. We have been advising companies on the up-to-date value of their assets for over 150 years. Healey & Baker. 29 St. George Street, Mansfield Square, London W1A 3SG. 01-629 6282.

Police vote against moonlighting move

BY DAVID CHURCHILL, LABOUR STAFF

DELEGATES TO the annual conference in Scarborough of the Police Federation decided yesterday against seeking changes in regulations to allow them to take extra jobs outside working hours. The move to legalise what was claimed by some delegates to be widespread moonlighting was put forward because of police frustration at having their pay eroded by inflation.

Thames pay row keeps Sandown races off TV

BY OUR LABOUR STAFF

THAMES TELEVISION has again been forced to cancel programmes because of an industrial dispute by 34 production assistants. Transmission of racing from Sandown Park today will be replaced by an old film, and if the dispute continues, next week's live coverage of the Derby could be threatened.

Power cut threat

Seven hundred power workers defied union instructions to return to work yesterday, threatening Southern Scotland with electricity cuts. Earlier, delegates refused to heed a bomb threat made anonymously to Special Branch officers.

NUJ strike deferred pending further talks

BY ALAN PIKE, LABOUR STAFF

ABOUT 100 National Union of Journalists members employed by North of England Newspapers in the Darlington area yesterday deferred a strike over a non-member which was due to have started on Monday. A meeting of the journalists voted to ask the NUJ emergency committee, which will meet next Wednesday, to approve the strike from next Friday unless the situation is resolved by then.

Leaders say 'No'

Leaders of the Post Office Engineering Union are advising members not to support a third pay policy, and have drawn plans for industrial action from October 1.

Over the limit

Pay rises over the incomes policy limit have been awarded to 400 women and 124 men at eight metal box factories by the Central Arbitration Committee, after the awards had been blocked by the Department of Employment.

GOLF: THE PENFOLD PGA

BY BEN WRIGHT

Oosterhuis squanders early gains to share lead again

PETER OOSTERHUIS let slip a glorious opportunity to take hold of the Penfold PGA championship at Royal St. George's, Sandwich, in the warm, comparative calm of early morning. He completed a second round of 71 for a level par total of 140 to only share the lead with the blonde South African, Andries Oosthuizen, who has recorded identical scores but started 23 hours after his rival.



A second round of 72 put Tony Jacklin in joint third place, one stroke ahead of Arnold Palmer.

This pair had shared the overnight lead with the brilliant 20-year-old Spaniard, Severiano Ballesteros, but the latter was blown away on the ever-freshening wind to a second round score of 77. This makes a total of 146—one stroke worse than his older brother Manuel. Brian Huggett, too, is on 146.

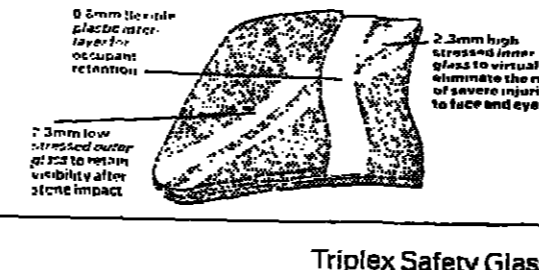
Oosterhuis birdied the first and second holes from 30 feet and 10 feet and made it a trio of threes with a par at the third hole. All these were to be Ballesteros at 145. Also at this played the Italian, wind later in the day that made Roberto Bernardini and Martin Foster, another young British youngster, have got away to this wonderful start. Oosterhuis played really poorly around the greens by his own high standard. He did not hit the ball into them anywhere near as well as he did yesterday.

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The Property Market

BY QUENTIN GUIRDHAM

Spink moves to Hong Kong

Having presided over one of the largest disposals exercises by the second rank of British property companies, John Spink is leaving his executive job at Berkeley Hambro, taking up residence in Hong Kong and taking a greater personal role in about only a connection Berkeley Hambro has expanded in the past two years, year, and that might be recouped by the faller dividend policy likely to be adopted in the public group. Besides, BH gets an immediate £1.3m. net from the Properties which at the same time is making a bid for the minority public shareholding in Swire Cheung. Swire's already quoted property subsidiary, as a public and larger group, Swire Properties now wants its own management. This has, for the last five years, been contracted out to Hambro Properties, a French portfolio to a Dutch institution 80 per cent. owned by Berkeley Hambro and 20 per cent. by Swire. The contract will end next July. Spink, currently chairman of Hambro Properties and one of the deputy chairmen of Swire Properties, will then become the chief executive at SP.

The Swire issue is reckoned to be anything but overpriced at a share price of 275, putting a value of \$FR1.22bn. (£151m.) on the property group. The argument, apart from this being the colony's first new issue in three years, for the low price-earnings ratio of 9.5 runs that Swire Properties' profits are largely from trading. Those profits also come from the all front one scheme, the Takoo Shing Estate, the residential development planned eventu-

ally to include 10,000 apartments. It was to manage this huge redevelopment of surplus dock and warehouse land that Swire first tied up with Berkeley Hambro. In the last year and a half more than 3,000 of the flats have been sold for the equivalent of £62m., with reinvestment being mainly in the United States and the Pacific area.

Losing the management contract will make little difference to Berkeley Hambro's income, between £50,000 and £100,000 a year, and that might be recouped by the faller dividend policy likely to be adopted in the public group. Besides, BH gets an immediate £1.3m. net from the Properties which at the same time is making a bid for the minority public shareholding in Swire Cheung. Swire's already quoted property subsidiary, as a public and larger group, Swire Properties now wants its own management. This has, for the last five years, been contracted out to Hambro Properties, a French portfolio to a Dutch institution 80 per cent. owned by Berkeley Hambro and 20 per cent. by Swire. The contract will end next July. Spink, currently chairman of Hambro Properties and one of the deputy chairmen of Swire Properties, will then become the chief executive at SP.

Management for the Hambro Life Property Bond continues, as will end next July. Spink, does the rescue exercise for currently chairman of Hambro Properties and one of the deputy chairmen of Swire Properties, will then become the chief executive at SP.

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LOB: about turn or expansion?

The Location of Offices Bureau is definitely not about to stand

overtaken by recent developments. The Minister emphasised that his proposals did not mean an about turn for the LOB, merely an expansion of the activities which had so far been developed with such marked effect.

The new look Bureau will now be able to divert some of its attention to attracting international concerns and encouraging them to locate office employment in Great Britain. True, this will inevitably mean that in some cases the virtues of London—until now a "no go" area—will have to be spelt out. This will also be the case when the LOB comes to Shore's second new task, promoting office employment in inner urban areas, including the capital.

But, the Bureau is equally adamant that its old role will from now on be expanded rather than reversed. It will, admittedly, find itself facilitating the relocation of some operations—British or foreign—in an area which was previously out of bounds. But its efforts and energies will be employed just as vigorously in promoting office employment elsewhere.

In the words of Prendergast: "I want to emphasise that our new terms of reference do not mean a reversal of our previous role, which centered on the narrow base of advising business management."

"It is rather an extension of that base which now enables us to deal with firms throughout England and Wales as well as with international concerns and to offer advice on the location best suited to the particular firm in question, whether in an assisted area, an inner urban or elsewhere."

Prendergast believes that ODP controls will make little immediate impact following a square foot period when speculative Permits and letting agents were Walker, were anyway freely available. As for the LOB itself, it says Fenwick and Willan, which will only wait to hear whether it is to be given any more money.

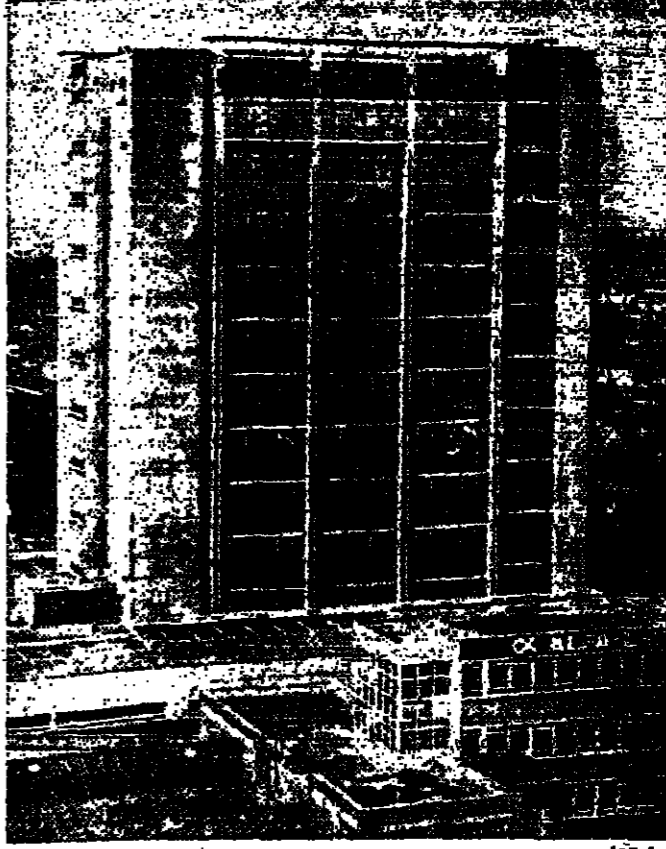
OUT AND ABOUT

● Hunting Engineering Management, subsidiary of Hunting Associated Industries, has leased the Cape Industries factory at Cambridge Road, Bedford. Total area is just under 55,000 square feet including ancillary offices with the starting rent £50,000 a year. Walker Son and Packman acted for Cape and is now looking to sell an adjoining 44 acres with an outline consent for warehousing.

● Beazer Holdings has sold its 3,000 square metres office building in Amerikalei, Antwerp, to a Dutch pension fund. J.L.W. that both within and without the London and its latest change of role will be no less controversial.

● A good Georgian building at 2-1, Royal Exchange Square, Glasgow, totalling 9,451 square feet, has been taken by the south east, the new remit will be approaching £30,000 a year. Healey and Baker and Edward become a better one, even if their doubts are ill-founded.

● Solicitors appear to be catching up with the accountants in the City take-up of new space by the professions. Lovell White and King took Kimberley House, Town and City's 51,227 square foot block on Holborn Viaduct (Hillier Parker acting for T and C and Jones Lang Wootton for the lessees) and now Marlow House, Lloyds Avenue has gone which is of particular concern to the Bureau. The spectre of heavy demand for space and rocketing rents is not one which the LOB would like to be held responsible for. Relaxation of ODP controls will make little immediate impact following a square foot period when speculative Permits and letting agents were Walker, were anyway freely available. As for the LOB itself, it says Fenwick and Willan, which will only wait to hear whether it is to be given any more money.



One bit of Brentford Nylons which Lounsbury decided not to buy was its headquarters, this tower which makes quite a landmark on the flyover entrance to London from the M4 Motorway. Brentford built the tower for itself and used the total of 147,000 sq ft in a number of different ways over the years. At one time planning consent was gained for office use on 110,000 sq ft, but apart from the ten floors of 4,000 sq ft each in the tower, the rest of the space on two 50,000 sq ft each floors, has mainly seen a mixture of warehousing, retail showroom and some industrial uses. Edward Symmons and Partners is acting for K. R. Cork and J. D. Naylor, the joint receivers of Brentford Nylons, in now trying to sell the freehold, though letting and then selling the investment might also be considered. Being on the belt coming in from Heathrow, which is favoured by many multinationals, disposal may not be too hard. Offers above £5m. are being asked, and how you rate that figure must depend largely on what uses the planners will agree.

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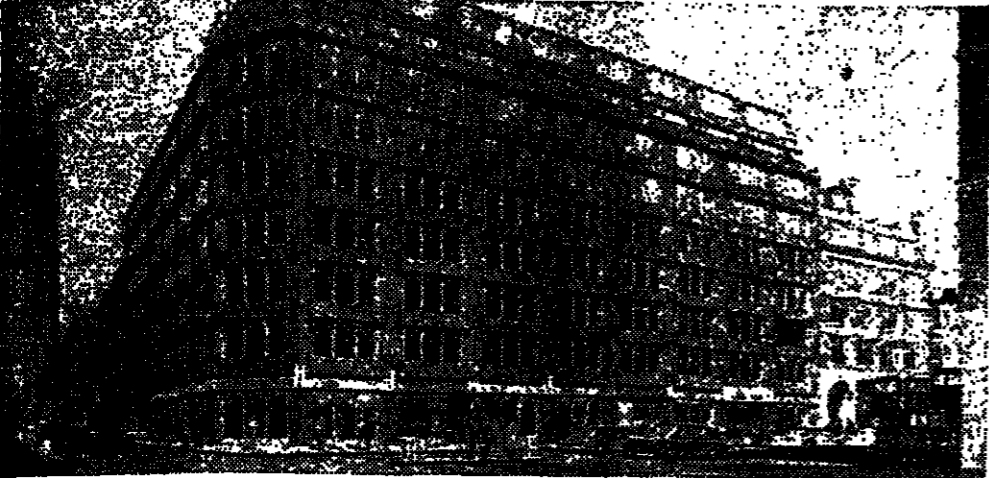
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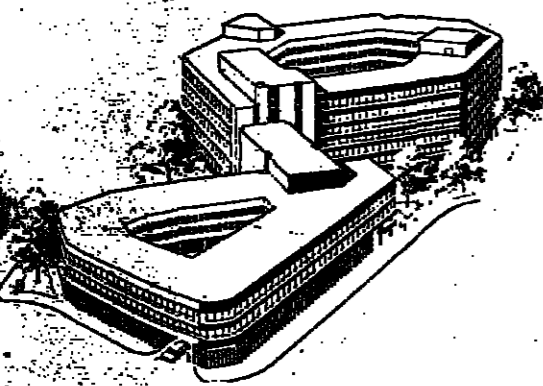
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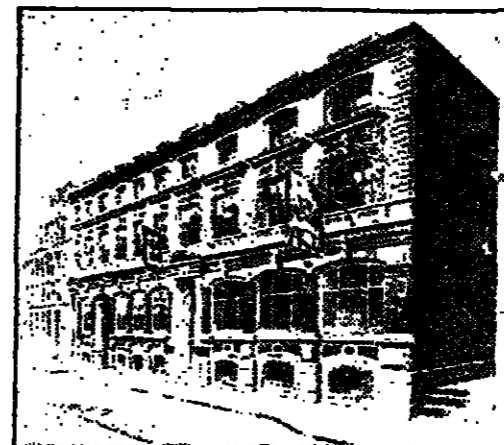
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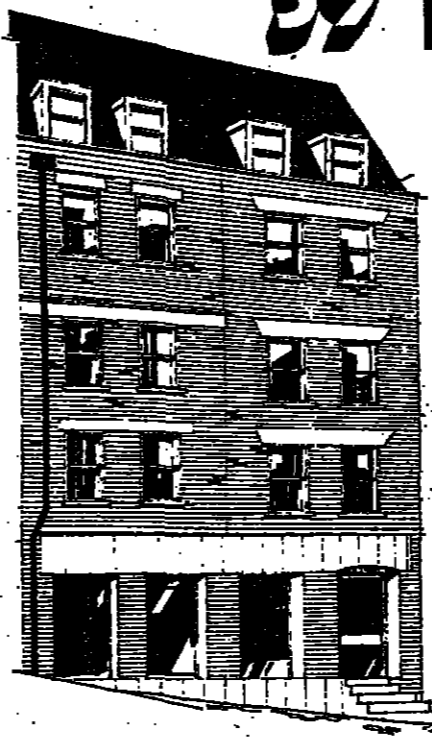
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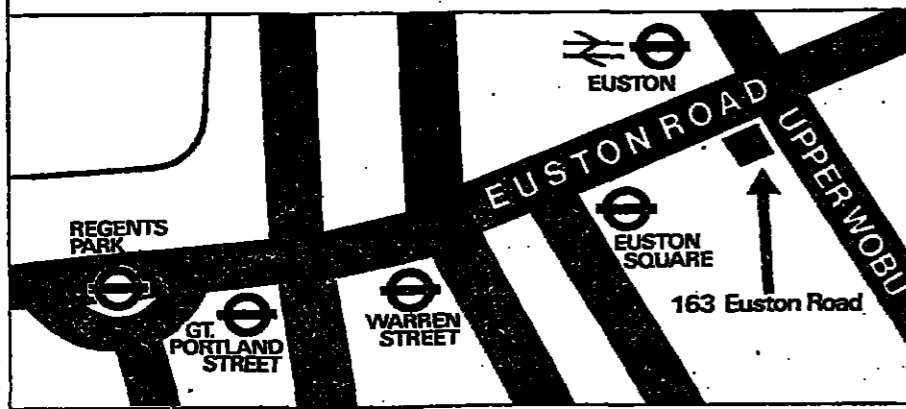
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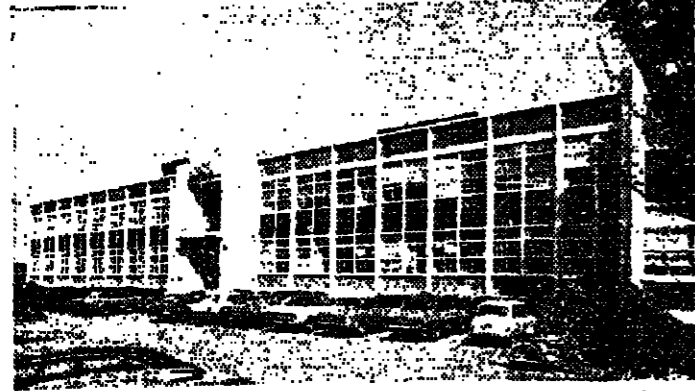
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PARLIAMENT and POLITICS

Healey hints at expansion based on pay agreement

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

MR. DENIS HEALEY, Chancellor of the Exchequer, was notably forthcoming in the Commons yesterday when he was questioned about the possibility of a satisfactory wage agreement...

was on drawing the next tranches of the IMF loan negotiated last December. He asked him to reaffirm that the IMF spending ceilings remained at the heart of Government policy.

Wilson lashes out against the Daily Mail

SIR HAROLD WILSON last night attacked the Daily Mail as a "pedlar of forgeries" through the years.

As MPs crowded into the Commons to hear him, Sir Harold claimed that the newspaper had one aim—to influence general elections in process or in prospect and discredit Labour leaders.

to be in possession of stolen property then the law needed changing and that was a matter for the Commons.

Sir Harold drew MP's attention to his recent evidence to the Royal Commission on the Press. He told them he had cited a case in November 1964 immediately after the Labour Party was returned to power.

Neave urges Ulster offensive

BY PHILIP RAWSTON

MR. AIREY NEAVE, the spokesman of Northern Ireland, urged a new offensive against terrorism in the province.

Leyland advances 'short lived'

MR. ERIC VARLEY, Industry Secretary, told the Commons yesterday that the NEB had recommended that a final decision on British Leyland strategy should be deferred until it had reviewed the company's investment plans in greater detail.

Discussions on industrial relations between management, unions and workforce, were still taking place and an important meeting would be held in Birmingham to-day.

Mr. Varley told MPs that the NEB was satisfied that the Mini replacement programme "has a vital part to play in re-establishing British Leyland's position in cars."

Mr. Norman Atkinson (Lab., Tottenham), Left-wing treasurer of the Labour Party, reminded the Chancellor that opinion inside the TUC had now changed considerably.

Callaghan urged to act on elections 'rebellion'

BY JOHN HUNT

THE GOVERNMENT came under strong pressure in the Lords yesterday to reveal what its intentions are about introducing a Bill for direct elections to the EEC.

Lord Chelwood (C.) challenged the Prime Minister to assert himself and quell a Cabinet rebellion over direct elections.

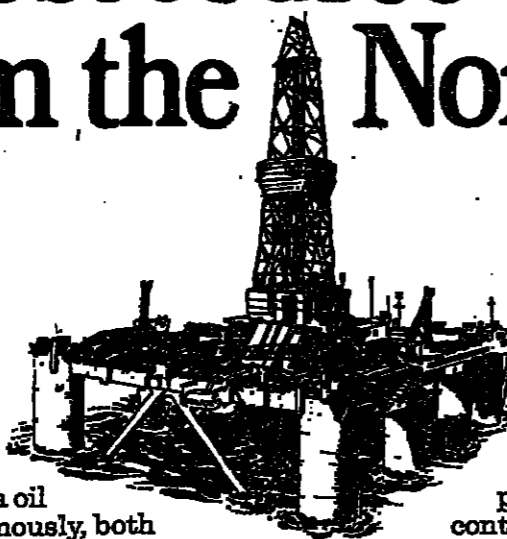
in no way set out in the Queen's Speech.

The Government was doing its best to ensure that Britain played a loyal role within the EEC as a result of the clearly expressed wish of the British people in the referendum.

By concentrating only on the identified by Army Intelligence as active terrorist leaders, some 100-200 people would be involved.

The move could bring rapid results if skilfully handled, said Mr. Neave.

A chance to explore the best source of news from the North Sea



In little more than seven years the North Sea oil industry has grown enormously, both in offshore exploration and production and in ancillary onshore developments.

interprets it, sets it in perspective, and provides a continuous well-referenced record. This is compressed into a concise dozen or more pages that are essential reading for anyone involved in this dynamic industry.

Parliament still viewing EEC as domestic dispute—report

BY REGINALD DALE, EUROPEAN EDITOR

A HANSARD SOCIETY report published to-day criticises Parliament for failing to adapt to EEC membership.

The main fault, it says, is the tendency of many MPs and some Ministers to persist in seeing the issue as a domestic dispute about Britain's continued membership.

flexible than often alleged in public debate, and certainly more so than most law-making procedures in the U.K.

Parliamentary scrutiny of EEC legislation described as "laborious," should be streamlined, the report adds.

Silkin seeks EEC help for pig industry

A PERMANENT solution to problems of pigmeat production and processors should involve investigation of EEC subsidies, Mr. John Silkin, Agriculture Minister, told the Commons yesterday.

Written Answers

Mr. T. H. E. Sreet (Con., Bedford). How does the Secretary of State interpret the trend of production platform development in the North Sea; and to what extent does he anticipate that operators will adopt sub-sea completions?

force on October 1 and traders with a turnover of £5,000 p.a. or less will be able to seek de-registration. To avoid unnecessary registrations followed by de-registrations next October, I have authorised Customs and Excise not to register compulsorily for VAT any person who, on the basis of his current turnover, figures, will be eligible for de-registration on October 1.

worked in building material supply are not included among the 227,443 unemployed at February 10 who last worked in construction industry.

Mr. Gordon Wilson (Soc. Nat., Dundee East). What has been the total import bill for oil exploration and production equipment over the last 12 months on a balance of payments basis?

Subscription form for 'North Sea Letter' with fields for Name, Position, Organisation, Nature of Business, Address, Telephone, Date, Signature, and a section for 'BLOCK CAPITALS'.

Vertical text on the right edge of the page, including 'The Financial Times' logo and 'EMPLOYEE-SI'.

The Management Page

EDITED BY CHRISTOPHER LORENZ

EMPLOYEE-SHAREHOLDERS

BY NICHOLAS LESLIE

Mix business and pleasure for profit

IT TAKES something out of the ordinary to make a company annual meeting something other than a brief, rather staid affair. Normally, very few shareholders attend, the business of the meeting goes through virtually on the nod, and everything is wound up in about five to ten minutes. Anything longer or lighter generally occurs only when a company is in trouble or there is some disagreement among the directors.

Which makes last week's annual meeting of Ash and Lacy, manufacturers of metal products, steel stockholders and hardware distributors, most unusual. Held at the Metropolitan Centre in Birmingham, it lasted at 8.15 in the evening and could be said to have continued right through until 1 o'clock the following morning. During that time were held the annual meeting, followed by a short cocktail party, a dinner at which the chief guest was Mr. John Methven, director-general of the CBI (he also attended the annual meeting), and finally a dance.

Wives husbands and guests

Although not everybody agreed till the end, there were some 800 people gathered at one time, comprising nearly 400 shareholders, together with wives or husbands, and a few guests. Significantly, these included 85 people who are also Ash and Lacy employees, representing the 85 employee/shareholders (a tenth of the total workforce).

That such a meeting took place owes much to Mr. Fane Vernon, the company's forthright chairman, who in recent years has been pitching himself with increasing vigour into the public debate on the roles of the CBI, the unions, and most particularly, management.

In the seven years of his chairmanship, the company's pre-tax profits have shown almost consistent growth from £81,000 to £1.7m. (with one downturn in 1975) and out-of-the-ordinary annual meetings sections of the company; many



Mr. Fane Vernon, Ash and Lacy chairman: "Worker participation has been picked up only by soft management."

good management, he says. The former — which has been adopted as the group's slogan — he sees as "shareholders and employees being committed to the success of the company and of each other." Good management, he insists, requires strong leadership from the top; always management channels and communicate through them — that means always through the foreman on the shop floor and never through the shop stewards; and have strong disciplinary procedures, but show care for the welfare of employees as a whole.

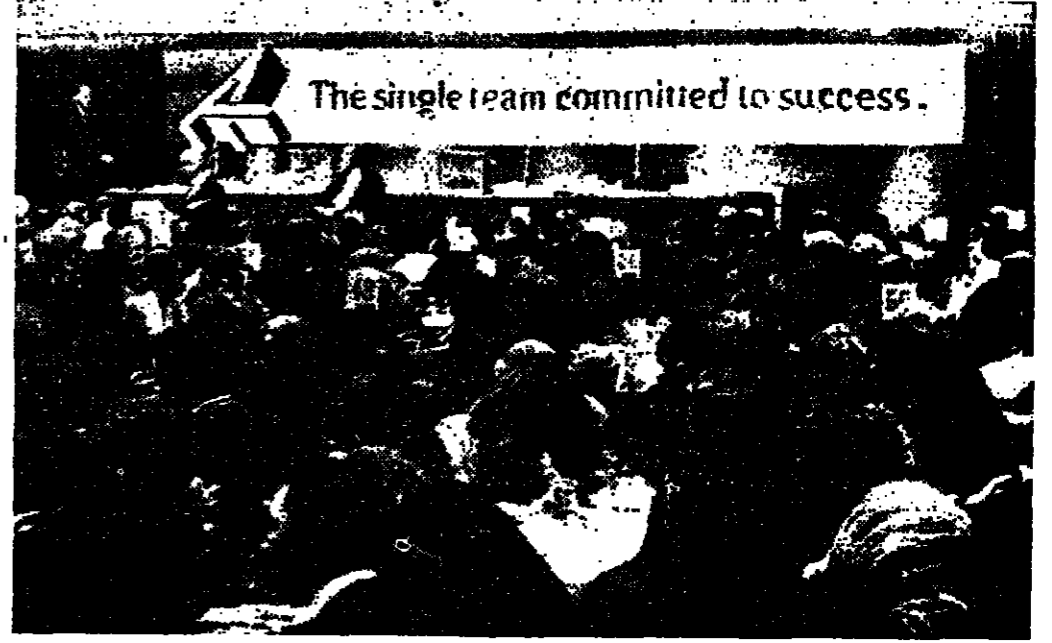
Philosophy in practice

How this philosophy operates in practice is the subject of a film which the company is now having made — included will be sequences from last week's events, together with all other aspects of what the company is about.

In the development of the "single team concept" Fane Vernon says that communications are an essential ingredient. Regular meetings have been instituted, so that the chairman and his fellow directors see all employees at least once a year — in groups of ten to 20 — to tell them what is happening and what the company's plans are, and to let them put forward their own views and ask questions. Additional meetings take place more frequently between two levels of management and employees.

Clearly not an advocate of the Bullock proposals on industrial democracy, he maintains that "worker participation has been picked up only by soft management." Management he says, should lead and "although there is a lot of inertia to overcome it is amazing what you can do if you get one or two kindred spirits."

The hardening of his views, says Fane Vernon, springs from his not liking to be associated with national failure. Until two or three years ago little interest was taken by the company in things like the CBI and the outside world, but it then came to the conclusion that if British industry failed it would affect the



The 800 shareholders and their guests at the Ash and Lacy annual meeting were separated into groups at tables, with an employee/shareholder heading each group, in an organized question session when directors sought shareholders' views on a number of policy issues.

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Risk attached to equities

What format shareholders can expect for next year's meeting has yet to be decided. But it seems certain that the proportion of employee/shareholders will increase. At present, the average shareholding is about 100 shares per employee and they are actively encouraged to take an equity holding — plans also are well ahead for the introduction of an employee PAYE-related share scheme. But Mr. Vernon recognises that risk is always attached to equity capital, and so he does not feel any employee should hold more than, say, £100 worth of shares or should invest more than a quarter of his or her savings. Meanwhile, he says he would see it as an achievement if sufficient employees bought shares to give them a total holding of around 30 per cent.

Cleaners and welders

At the subsequent cocktail party there was a general mingling of employees with other shareholders. Employee/shareholders are drawn from all

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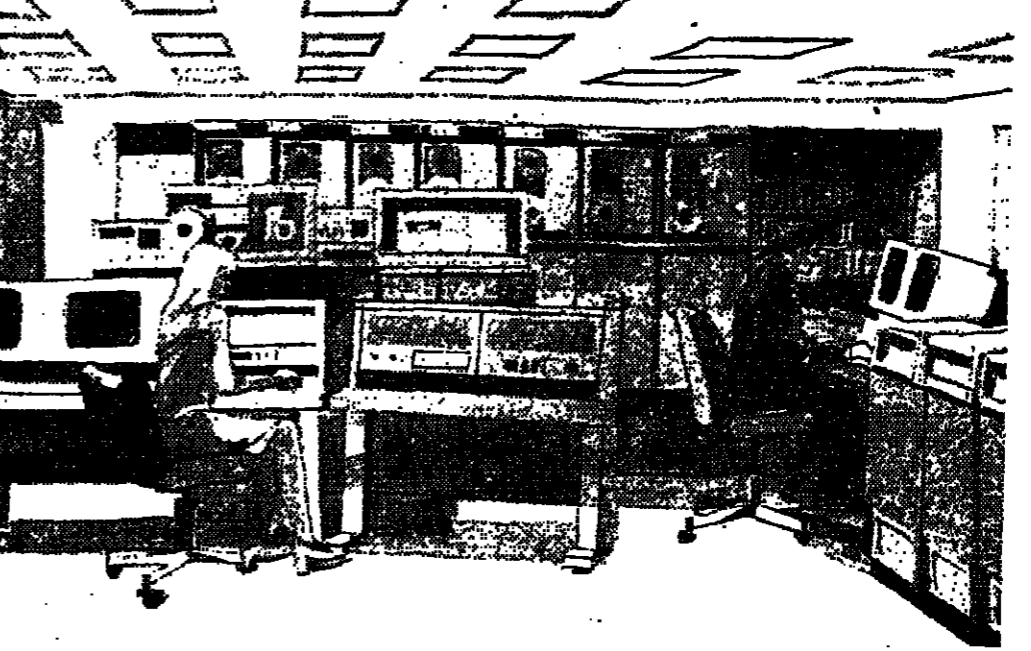
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THE FINANCIAL TIMES

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Giles Merritt in Dublin examines attitudes of political parties there to troubles north of the border.

Irish votes and their effect on Ulster

THE SCENE is the grimy upstairs room four flights up over a discount carpet store in Dublin's Kevin Street

The Provos are smarting under the present government's tough clamp-down on Republican militancy, and while ostensibly ignoring the election they nevertheless have a vested interest in its outcome.

If the Provos are keen to see the back of Mr. Cosgrave's government, they are still sceptical of the advantages to them of a return to power of the Fianna Fail party that ruled for 16 uninterrupted years until March, 1973.

In Whitehall, there is a tendency to see the problem in black and white. During its four years, this Irish Government has hit back hard at the Provisionals, using emergency legislation more draconian than anything available in Ulster to silence British criticisms that the south is a "safe haven" for terrorists active in the north.

The Cosgrave Government is therefore a staunch and reliable ally. Even more to the point than its security record, its political views on Northern Ireland's future generally mirror those of the Heath, Wilson and Callaghan Governments.

While the exporters of Japan and Germany will certainly resist energetically the proposal that any success they achieve should attract automatic exchange-rate penalties, the U.S. case certainly requires an answer.

These remarks promise to reopen a confusing, probably acrimonious, but centrally important debate. At first sight, the U.S. position appears both risky and hypocritical.

Mr. Blumenthal, on the contrary, said it again, and specifically called on Japan, Germany, the Netherlands and Switzerland to direct their national policies towards deficit.

Mr. Blumenthal suggested a number of different approaches to the central problem, of which this was one. He conceded the need for effective energy policies, aimed in the long run to reduce the scale of the imbalance as a whole; and in one sense President Carter is now playing his part in this process.

It is, then, in the area of expanded official aid and IMF financing that the main alternative hope must lie; and it is in these areas that countries which reject the basic U.S. demand must make their counter-proposals.

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Cash limits essential

IT HAD been arranged that Mr. Varley would make a statement in the Commons about the future of British Leyland after the company's annual meeting. The background to his statement, however, turned out to be not only the toolmakers' strike and its serious effect on Leyland's financial position but the more recent allegations of bribery to obtain orders.

As for the new Mini programme, the most urgent of the decisions facing those involved, the NEB is authorised to allow work on it to be resumed "as soon as they are satisfied sufficient tangible progress is being made towards measures that will put industrial relations on a new basis."

From a political point of view, this decision was almost inevitable. It is not clear how far a commitment to the Mini will affect development work on other parts of the range, where the need for new models seems even more urgent.

The U.S. gets back on a collision course

THE SPEECH by the U.S. Treasury Secretary, Mr. Michael Blumenthal, to the international banking conference in Tokyo this week was an important one, and a somewhat forbidding one.

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MEN AND MATTERS

Catering for the TGWU

Despite every appearance to the contrary, there is some love between Trust Houses Forte and the Transport and General Workers Union. The TGWU, long resentful of the relatively low level of union representation among THF employees, has been involved for over three months in a bitter struggle with the company in the Midlands.

There, the TGWU now has a plush centre for members' holidays, convalescences and conferences. And who provides the food? An industrial catering company called Gardner Merchant Food Services — a subsidiary of Trust Houses Forte.

The Gardner Merchant involvement is certainly ironic, but the TGWU said its relations with that company had always been good. And in contrast to other parts of the catering industry, there is a high proportion of unionisation among industrial catering staff.

THF said yesterday that, overall, less than 10 per cent. of its 50,000 employees were in unions, though the proportion was higher in Gardner Merchant.

anything up to 20 years, but the present British and Irish Governments both agree that even a long-term undertaking might make the British presence untenable and precipitate a hurried pull-out.

If Government Ministers' recent public remarks are any guide, Fine Gael and Labour will seek to brand Fianna Fail as dangerous Republicans, whose policies would plunge Ireland into civil war.

Mr. Lynch's problem is that his view that the murderous Ulster deadlock should be re-

election of Mr. Cosgrave's coalition would helpfully maintain the status quo.

Underlying British reservations about Fianna Fail, there is still the relatively fresh memory of the 1970 gun-running crisis. Two Cabinet Ministers in the Lynch Government, Mr. Charles Haughey, the Finance Minister, and Mr. Neil Blaney, the Agriculture and Fisheries Minister, were dismissed from their posts on

It would be surprising if Ireland's election run-up does not stir Ulster's own political situation. If Fianna Fail is tempted into making a bid for the nationalist vote, Ulster's Unionists will be among the first to react.

The thorny subject of Irish federalism is also likely to come up during the campaigns. Mr. Lynch has pronounced himself in favour of a loose—perhaps deliberately ill-defined—32-county federal Ireland.

There have been persistent hints in Dublin's political circles that Fianna Fail's leadership is well aware that it had since been "rehabilitated" back into the Fianna Fail ranks, but there remains the doubt that the party's right-wing is not viable or constructive when it comes to the Northern Ireland question.

The prospect of Northern Ireland's future dominating the hustings debate here may seem strange to outsiders. Indeed, many Irishmen believe it to be an irrelevance when Ireland, with unemployment that is unofficially reckoned to be around 18 per cent., faces an economic future so bleak that 25 per cent. of the active population could be without a job in ten years.

It would, of course, be grossly improper for officials or members of the British Government to comment on the outcome of Ireland's general election. Nevertheless, the strong impression given is that the re-



Although the Ulster problem has spilled south of the border and our ambassador later assassinated, it is generally felt that the Fine Gael Government, under Mr. Liam Cosgrave (right), dealt with terrorism more firmly than its Fianna Fail predecessor (party leader Mr. Jack Lynch).



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shame he only received an Order of Oman 2nd class as a result. Sir David House, his predecessor, whose Ulster term is drawing to a close after the usual two years, was rated mostly a highly professional military technocrat.

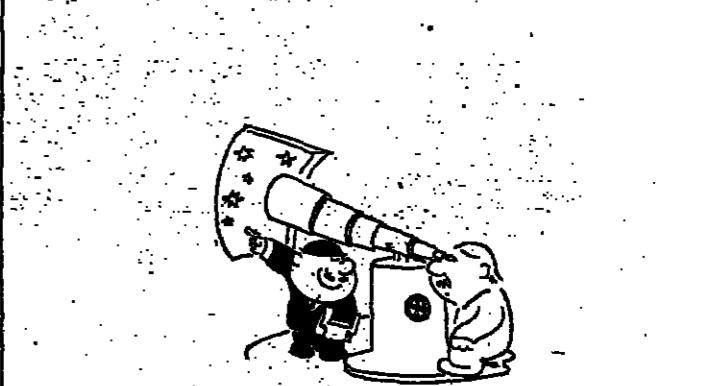
It is also being stressed that no change is envisaged in the cautious policy of maintaining the identity and traditions of the two component motor companies of the group laid down by his retiring predecessor, Francois Gautier.

Parayre is inheriting a profitable enterprise but one which has in terms of market share lost ground recently to the aggressive policies of Renault which has moved up into the luxury car bracket (Peugeot has entered the mini stakes). He is also moving into a political hot seat since the Communists are demanding that Peugeot Citroën should join the list of nationalisation candidates if the Left wins the 1978 election.

Down on the Riviera where the strike bound Cannes film festival comes to its end this week unkind souls have found a new way of tormenting those who have played one-upmanship by parking their yachts near the Croisette.

One of the four men who earned themselves the nickname of the Musketeers of French industrial policy as laid down by President Pompidou, Parayre became one of the State's representatives on the Board of the nationalised Renault motor company.

The company itself plays down the significance of the



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Observer

POLITICS TO-DAY

BY DAVID WATT

Common Market returns to centre stage

S ironic that Britain's first idency of the EEC Council finsters should be coming n end in a flurry of real n, and in some quarters panic, about our whole relationship with Europe. Much expected of this opportunity for the British to demonstrate some leadership in ppe and indeed superficially Presidency has run pretty The British Civil Service shown its usual administrative efficiency. Mr. Crosland, Dr. Owen after him, have lured these relationships more than usual briskness in one or two matters— ibly the North-South nomic dialogue and discus- with the countries of the nunist bloc—some modest gress has been made.

et red lights are suddenly ing all over the board. In istic politics the European e has now returned to- taten the survival of the erment and the stability of Labour Party. Externally, ism of British attitudes- ctions over Europe is g heard among hard- ed observers far outside the- uest vested interest group- in Brussels and the- nial capitals of the Nine- igh all British public opin- as to be more hostile to- EEC than for a long time- r is hard to sort out which- these developments are really- ons. And the task is made- icularly difficult by the dis-- ions caused by the hopes- f fears of some of the partici- . The old anti-Marketees,- ctually on the Labour side- rbbing their hands with- e, and have every incentive- exaggerate the troubles in- ore for everyone.

the Conservatives, are dis- tressed by the damage which- their friends on the Continent- tell them is being done to- Britain's prestige, by the- Government's handling of its- relations with the Community, but- are half-delighted to have a- good stick to beat the Prime- Minister and the Foreign Secre- tary with. In Brussels the pro- ponents of a long-term- federalist approach to European- institutions attack the British- Government's delays over direct- elections to the European Par- liament. On the other hand- nationalist politicians in some- of the Nine are perfectly content- that the British should take the- odium of slowing down a pro- cess which they themselves- regard with the deepest- suspicion.

Dispassionate
None of these parties is bring- ing what might be called a dis- passionate analysis to the pre- sent situation in Britain. I can- not, as a long-standing pro- Marketeer, claim to be entirely- dispassionate myself. However, let me try as best I can to- answer the three most urgent- questions in a more or less- factual way.
1. **What anti-European is- British public opinion?** Sur- prisingly enough, there have- been no very recent data from- the opinion research organiza- tions on this point. The last- two polls were taken in Novem- ber 1976 and January this- year. The first of these, part- of the European Commission's- elaborate Euro-barometer, ex- ercise, showed that in the U.K. 45 per cent would have voted- "yes" in a repeat referendum- on membership of the EEC, as- against 44 per cent voting- "no" and 11 per cent "don't- know." Two months later a-

Gallup poll showed that 35 per- cent of respondents thought- Britain's membership of the- EEC was a good thing, and 41- per cent thought it was bad.
The other evidence is much- more impressionistic and is- drawn mainly from the experi- ences of politicians at the recent- by-elections. The questions- are whether the National Front- did as well as it did at Stech- ford because of its anti-Market- stance, and whether Labour- managed to hold Grimsby- against all the odds because its- candidate fought a strongly anti- Market campaign. Anti-Market- teers on the Labour Left have- been propagating a resounding- "yes" in answer to both ques- tions, and after cross-examining- a number of people who spent- some time in the constituencies- I am inclined to concede that- anti-Market sentiment probably- did play some part. The trouble- is that one cannot tell how- much. In Stechford the immi- grant question was probably- even more salient for N.F. Grimsby the fact that Mr. Austin Mitchell was a local- television star may have been- the decisive factor.

Putting all this together, one- can venture under Question One,- but with a real chance of stir- ring up trouble within a party- whose activists are not only- overwhelmingly anti-Market- themselves, but are likely to- take an over-simplified view- of the public's attitude towards- the EEC and the number of- votes to be got out of it.
There are two danger points- here for Mr. Callaghan. One is- the Party conference this- autumn; the other is the- Cabinet in the next few weeks; and the two dangers are con- nected in that the attitude of- the Left within the Cabinet is-

likely to be affected by their- strong indeed.
And yet it is not by any- means certain that they will do- so. The Prime Minister has- stated very often that he gave- his word to the Liberals that- he would introduce a direct elec- tion bill this session and would- take account of Liberal wishes- about the use of proportional- representation for the European- polls. Having failed to resign-

the Party.
In view of left-wing pressure- in the Cabinet, Mr. Callaghan is- going to have to trim on direct- elections, but I can see a basis- of compromise between the Left- and the Liberals—a bill which- was published in the next couple- of months, which was submitted- to the House of Commons in- the November, which came into- effect simultaneously with the- next general election, which- provided alternative clauses for- the method of election (either- first-past-the-post or propor- tional representation) and- which left the choice between- those two alternatives to a free- vote in the House of Commons, this- freedom extending to individ- ual Cabinet Ministers. This- compromise would not avoid a- row, probably damaging to the- Government's general position, at- Brighton, but by that time the- Cabinet, including the Left, would- be committed.
2. How lukewarm towards- Europe has the present Govern- ment become? The theory of- the Government's position—by- which in practice one means- Mr. Callaghan's and Dr. Owen's- after they have taken account- of the various pressures, already- described—is clear enough. They- are committed to the EEC in- what one might call a mod- ified Gaullist fashion. That is- to say they are more inclin- ed to believe in the potentialities- of concerted action between Euro- pean governments. They are- therefore rather more inclined- to compromise than the French- used to be and are more favour- able to the idea of institutional- ising political co-operation.
On the other hand they are- almost as opposed to federal- ism and supranationalism as De- Gaulle and are therefore as- hostile to the pretensions of the- European Commission. They

also take a leaf out of the- French book in sucking more- ruthlessly than the British have- often done in the past to a- strict, short-term conception of- the national interest in certain- sensitive areas. It is wrong, in- my judgment, to suppose that- they are trying to revive the- "special relationship" with the- U.S. at Europe's expense. But- having discovered, rather to- their surprise, that President- Carter is a strong Anglophile, they- may be more tempted than- say Mr. Heath in cash in- on the fact from time to time- on a unilateral basis.

This seems to me, for the time- being, a tenable, though disap-- pointedly negative and defen- sive position. It will not break- up the EEC, though it will cause- irritation among our partners, and- it will not give any hostages- to the Left, though it is- unlikely to remove the British- voter of the advantages of mem- bership.
But it is hard to see what it- will do for the long haul. Varia- tions of the Common Agricul- tural Policy or safeguards for- particular sectors of British in- dustry are really pretty mar- ginal in terms of either the- retail price index or the sur- vival of a competitive British- economy. Moreover, if the Com- munity is to be enlarged, as the- Government insists, the enlarge- ment is going to make British- problems and pressures seem- even less compelling.
What is required—but is ex- tremely difficult to promote in- the present political climate- here—is a real effort to develop- the potential growth areas of- the Community that are of real- interest to Britain (regional- policy, industrial policy, energy- policy) and to display the kind- of spirit that will actually foster- them.

available port-hole, and that the- issue of direct elections to the- European Parliament provides- as good an opportunity as is- likely to occur because it is- one on which the majority of- the Party, both inside and out- side Parliament, is probably- enough to regard the survival- against the Prime Minister. If- the Tribune could demonstrate this- as a fact and got a real Party- agitation going with the pros- pect of massive ructions at- Brighton, then the temptation- for left-wing Ministers to strike- out for the shore would be very-

when this pact was made, the- Left would find it hard, in logic, to resign now.
Moreover, it is doubtful- whether the majority of the- Party, including the trade- unions, are yet desperate- enough to regard the survival- of the Government as being less- important than the stopping of- direct elections. The chances- are that if, say Mr. Benn- brought down the Government- by resigning now he would- seriously eclipse his chances of- eventually becoming leader of-

the Party.
And yet it is not by any- means certain that they will do- so. The Prime Minister has- stated very often that he gave- his word to the Liberals that- he would introduce a direct elec- tion bill this session and would- take account of Liberal wishes- about the use of proportional- representation for the European- polls. Having failed to resign-

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Agriculture Minister Mr. John Silkin: temptation to strike out for the shore.

To-day's Events
Abercorn Rooms, E.C. 12. Modern Engineers of Bristol, Bristol, 12. News International, Saddlers' Hall, E.C. 12. North British Canadian Investments, Edinburgh, 10.45. Oxfex Group, Oxford House, Leicester Street, W. 11. Concrete Machinery, Warwick, 12. Pearson Longman, Vickers Court, Clayton Son and Co., Leeds, 2. ferenca Suite, Millbank Tower, Clifford's Dairies, Maidenhead, S.W., 11.30. Pearson (S.), Mill- 11.30. Dickinson Robinson Group, bank Tower, S.W., 12. Pinterx Bristol, 12. Fothergill and Harvey, Manchester, 12.30. Grampian Mixed Concrete, Dorchester Hotel, Holdings, Glasgow, 12. Hanger W., 11.30. Reynolds Parsons, Investments, Birmingham, 2.30. Newcastle upon Tyne, 12. Smith Home Charm, Abercorn Rooms, (W. H.), London International E.C. 12. Kode International, Press Centre, E.C. 11.30. Wilson Calne, Wilts., 12. Lane (Percy), Birmingham, 12. Menzies (John), Winstone Estates, 10, Bolton Street, Edinburgh, 12.15. Minet Holdings, W., 12.

Letters to the Editor

Tax ceilings on income

From the Director-General, Institute of Directors.
Sir,—It is gratifying to see that argument is raging healthily in your correspondence columns over Mr. John Pardon's suggestion that the maximum amount of tax paid on earned income should not exceed 50 per cent—a suggestion I warmly endorse, and which in a simple form I put to the Chancellor of the Exchequer earlier this year when I wrote to him before the budget. I make no apology for restating the Institute's view, communicated then to the Chancellor, that "a reduction of the top rate of income-tax to 50 per cent would have the largest single impact of any measure the Government is capable of taking to regenerate the economy." And that would include the Chancellor's resignation.

The Government is, belatedly, showing signs of recognising the importance to society of the business leader, the man who holds the key to the reawakening of economic activity which we now await so urgently and more important in the long run, to innovation in the creation of wealth upon which growth depends. He is the very man who has been systematically punished for any success he has been able to achieve in three years of harsh taxation. Those who have seen their real incomes decline in the last two years alone by more than 25 per cent, recognise that they have been robbed. Only this week in the results of a programme by the London stock-brokers, Phillips and Drew, there is further evidence of this decline. The man on £10,000 a year now needs a third as much again in the form of a pay- rise to put him where he was in 1975. The man on £20,000 needs four times that amount.
If the Government does accept that the businessman matters, let it signify this by raising his morale, and restoring to him a fair share of his own hard-won earnings. Stage one of that process: a cut to 50 per cent in the top marginal rate of taxation. Surely, one day for the State and one for himself is as much as can be asked of any man.

The importance of natural gas

From Mr. J. H. Goodland.
Sir,—The Public Relations adviser of British Gas has been drawn into defending (May 24) one of his series of half-page advertisements in the "heavies," which are clearly aimed at labelling markets for natural gas from the new Frigg field. I find that each advertisement in the series contains contentions that: (1) Frigg gas can lift our balance of payments; (2) the Treasury figures nearly as if it would clearly apply to natural gas as a whole. On the contrary Frigg, 60 per cent Norwegian, and at least four times as expensive as present supplies from the Southern North Sea, will reduce our present 85 per cent self-sufficiency by the 15 per cent. Natural gas can only help our balance of payments to the extent it is indigenous and displaces imported energy. (2) Natural gas will continue to serve our children for decades to come. There is no basis of proof for

Teaching companies

From Professor Kenneth Hilton.
Sir,—Your report on the expansion in the number of "teaching companies" describes the aim of the projects as enabling students to learn more about industry. Most industrialists and academics would see this objective as a desirable one, and many, therefore, applaud the teaching company idea. Few question the cost, fewer still ask if the objective could be achieved more effectively in a time of financial stringency.

The cost (as reported in the Government publication The Teaching Company Trust) amounts on average to over £20,000 per student per annum in addition to normal university costs. These costs are so great because it is necessary to persuade students to undertake a programme that they would not otherwise think it worthwhile taking; a programme offered by universities who would not otherwise be prepared to devote resources to these students in association with companies who would not otherwise be persuaded to support the projects on which the students are to work. Add to this the costs of administering them, and one ends up with costs that would otherwise permit ten times as many students to undertake graduate training in management that students want to take, universities want to offer and with which industry wishes to co-operate.
It could be that the primary aim of the "teaching company" programme is not to teach students about industry but to improve the standards of industrial practice, and to increase the relevance of university research. If this is so, then let it be clearly split out and evaluated in these terms. As a student training programme the "teaching company" project is a clear misallocation of resources.

Unemployed young people

From the Hon. Director, Community Service Volunteers.
Sir,—Concentration on the 16-18-year-old unemployed is likely to have several undesirable consequences. This is particularly true of the community service sector—the one field where the opportunities are limitless and the needs real rather than contrived.
The defects inherent in plans devised only for out-of-work school-leavers stem from a single cause—the absence of the guidance which graduates from universities and the colleges of education, who would otherwise themselves be unemployed, can give to the younger age group.

New rates assessment

From Mr. J. R. Cadwallader.
Sir,—So the Government are now proposing to amend the method of assessing rateable values to yet another contentious and illogical system. Who will fix the capital value of a dwelling, particularly one which has not been on the market for some years?
I have recently decided to sell my property, and have had valuation from six reputable and long established Estate Agents, all of whom practise in the neighbourhood. 21 valuations have ranged from £28,500 to £24,500.
On this basis, one can visualise 10m. appeals against assessment, all supported by "expert" evidence, and presumably another 10,000 civil servants to administer the resultant chaos!
What next?
J. R. Cadwallader, Management House, 73, Reading Road, Henley-on-Thames, Oxon.

Mortgages and house prices

From Mr. Duncan Corstorphine.
Sir,—Mr. Norman Griggs has a nice sense of humour. He dismisses (May 18) the recent widening of building society margins as "purely marginal." Changes in margins usually arise. The fact is, of course, that margins between borrowing and lending rates have become embarrassingly fat. Savers will be glad of Mr. Griggs' implied promise that they will be reduced if and when the basic rate of income tax is cut.
His attempt to justify the societies' present interest rate structure is unconvincing. Clearly, building societies must offer their current account holders a rate of interest comparable with competing rates, the most important of which are bank deposits and three-month local authority deposits. Mr. Griggs' reference to rates available on medium-term contracts is misleading—the societies themselves offer higher rates for term deposits than for share accounts. During the seven years to the end of 1976 the gross return on building society share accounts was on average 8.1 per cent above that on bank deposits and 9.2 per cent below that on three-month local authority deposits. The present differentials are, respectively, +6.8 per cent, and +3.4 per cent. The only other time in the past seven years when differentials have been remotely as large as they now are was, ominously, the latter part of 94, Park Road, N.W.1.

The role of Swiss banks

From Mr. Jeremy Baker.
Sir,—It was disappointing that your article on Credit Suisse (May 23) had nothing to say on the wider impact of Swiss banking on the rest of the world. It is a plausible argument that unethical use of the "numbered Swiss bank account" has caused more political and social disruption in the post-war non-Communist world than any other single cause—even including the CIA and various Russian activities. One only has to think of organised crime in the U.S., the draining of underdeveloped countries' resources by dictatorships, and the continual bleeding of the Italian economy; none of this could happen without a stable but secretive banking system, in which to place illegal money.
Without having to mention any question of morality, it is doubtful that the Western world should tolerate such a destabilising force any longer. The recent Downing Street declaration and the current Swiss banking crisis indicate that now is the time to move on this issue.
It is no excuse to say that Swiss banking laws are the sole prerogative of that country; this excuse is valid only for the banking of Swiss citizens themselves. Jeremy Baker, 94, Park Road, N.W.1.

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COMPANY NEWS + COMMENT

Lonrho 17% improvement in first half

A TURNOVER increase of 21 per cent to £575.2m. is announced by Lonrho for the six months ended March 31, 1977, and pre-tax profit was 17.5 per cent. up at £39m.

For the full year to September 30, 1976, profits totalled a record £93.37m. and adjusting for the scrip issue, dividends were 4.953p net.

In April the directors announced a rights issue to raise £11.7m. and forecast a dividend total of 6.4519p for which Treasury consent had been obtained.

INDEX TO COMPANY HIGHLIGHTS					
Company	Page	Col.	Company	Page	Col.
Assoc. Engineering	27	1	L.C.I.	23	6
Bass Charrington	23	1	L.C.L.	24	4
Bodycote	28	6	Liner Concrete J	23	4
Brown (Matthew)	28	5	London & Northern	23	7
Burco Dean	27	4	Lonrho	22	1
Caravan Imnl.	23	3	McLeod Russel	27	1
Custon (Sir J.)	25	4	Medical Sickness	24	4
Chapman (Balham)	28	4	Phoenix Assurance	25	1
Courtauld's	23	4	Portsmouth & Sndrlnd.	22	4
Exchange Telegraph	25	2	Press (William)	22	7
Feb International	23	4	Pritchard Services	28	3
Fortnum & Mason	23	8	Robertson Foods	22	4
Gomme Holdings	22	1	Runciman (Walter)	26	4
Henderson (P. C.)	26	5	Tozer Kemsley	25	3

riding the current squeeze on consumer spending fairly well and with a sizeable expansion programme now under way, aimed particularly at the export markets, it is clearly confident of a return to better trading in a year or so. In the meantime the shares are probably worth holding on a prospective yield of 9.1 per cent, at 50p, which should be covered about 2.7 times. Marley still holds a 28.7 per cent stake in the Gomme equity.

Portsmouth Sunderland profit near £1.4m.

The figures for the six months ended January 30, 1976, have been adjusted to reflect the inclusion of production overheads in the company's stock valuation. It is stated.

Six months			
	1976-77	1975-76	% change
Turnover	1,252.2	1,032.0	21.3
Trading profit	1,128.2	1,158.8	-2.7
Interest payable	1.2	2.1	-42.9
Profit before tax	1,127.0	1,156.6	-2.6
Taxation	31.0	32.0	-3.1
Net profit	1,096.0	1,124.6	-2.5

At the interim stage the directors said that results for the second half were unlikely to exceed those for the first.

Turnover for the year was £10.31m. (£9.78m.).

Earnings per 25p share are shown as 8p (7.5p) and the dividend is lifted to 2.808p (2.5517p) with a final of 1.9019p net profit emerged as £638,541 (£609,083).

NEWSPAPER proprietors and publishers, Portsmouth and Sunderland Newspaper finished the year to April 2, 1977 with record taxable profits of £1.35m. against £1.22m. after £0.64m. at halfway compared with £0.41m.

At the interim stage the directors said that results for the second half were unlikely to exceed those for the first.

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Earnings per 25p share are shown as 8p (7.5p) and the dividend is lifted to 2.808p (2.5517p) with a final of 1.9019p net profit emerged as £638,541 (£609,083).

Bertrams reduces deficit

On turnover, unchanged at £1.13m., paper and board machinery manufacturers, Bertrams reduced its deficit for the 26 weeks ended April 3, 1977 from £114,000 to £90,500.

Loss for 1975/76 was £112,343. As last year, there is no interim dividend. The last dividend paid totalled 1.85p net for 1974/75.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding dividend	Total for year	Total last year
Ash Spinning	2.94	July 18	2.19	5.13	3.15
Assoc. Engineering	1.27	July 18	1.19	2.46	1.60
Bass Charrington	1.63	Aug. 5	1.48	3.11	2.14
Matthew Brown	1.01	Aug. 5	0.91	1.92	1.35
Buroco Dean	1.0	—	1.33	2.33	1.0
Caravan International	1.0	—	1.0	2.0	1.0
Chapman (Balham)	2.45	July 29	2.45	4.90	3.62
Courtauld's	4.35	July 29	4.14	8.49	6.11
Extel	3.23	July 29	2.94	6.17	4.41
Feb Intl.	0.92	July 14	0.78	1.70	1.43
Fortnum & Mason	17.3	July 19	15.5	32.8	19
Giant Bros.	2.36	July 7	2.36	4.72	3.58
Gomme Higgs	1.73	July 7	1.58	3.31	2.57
ICI	2.81	Aug. 5	2.65	5.46	4.22
International Paint	13.16	Aug. 5	6.33	19.49	8.87
Keystone Inv.	1.75	July 19	1.33	3.08	2.43
Liner Concrete	0.55	Aug. 6	0.5	1.05	0.67
London & Northern	2.0	Aug. 4	2.0	4.0	3.25
Morland	5	—	3.5	8.5	11.15
New Tregmoon	0.7	July 19	0.7	1.4	1.54
Portsmouth & SndTd News	1.93	—	1.68	3.61	2.55
Wm. Press	0.75	Aug. 5	0.83	1.58	1.21
Pritchard Services 2nd Int.	0.82	—	0.77	1.59	1.21
Robertson Foods	3.89	July 27	3.54	7.43	4.66
Scottish Inv.	0.55	July 25	0.73	1.28	2.05
Alfred Kempner	405	—	25	430	405
Kranat Tin	25	—	25	50	40
Kampong Lanjut Tin	205	—	35	240	40

Robertson Foods at peak £2.6m.

A SECOND-HALF rise of £0.3m. to £1.7m. put Robertson Foods ahead from £2.27m. to a record £2.57m. for the 33 weeks to March 31, 1977. Turnover was up from £45.94m. to £53.27m. Reporting a steady £0.88m. against £0.87m. at half-way, the directors said that at that level of activity profits for the year should show an improvement.

52 weeks 52 weeks

	1977	1976
Turnover	1,727	1,690
U.K. Home	37,525	37,319
Export	4,453	4,991
Overseas	3,447	4,599
Trading profit	3,438	3,915
Director's interest	308	286
Other interest	49	42
Profit before tax	2,888	3,278
Taxation	2,251	2,537
Overseas	48	37
U.K.	213	179
Net profit	2,388	2,693
Export credit	119	118
Minority interest	31	44
Preference dividends	11	41
Ordinary dividends	47	43

Profits are up from £1.6m. in the first half, pre-tax profits of engineering contractors, Wm. Press & Son, finished 1976 ahead from £4.43m. to a record £7.39m. on turnover of £188m. compared with £117m.

Earnings were shown to be up from 4.85p to 6.25p per 5p share and, as forecast, the dividend total is 1.5p (1.20p) but on capital increased by last year's rights issue and the acquisition of James Scott Group. The final payment is 0.75p.

The Board also recommends a one for one scrip issue. The new shares will not rank for the final dividend for 1976.

DELTA METAL
The building products division of Delta Metal announces that agreement, in principle, has been reached with Worcester Engineering Company for the sale of the Danesmoor and Delgo boiler ranges and their Clay Cross Works where these products are currently manufactured by Delcio Appliances.

ISSUE NEWS

Expanded Metal £3.2m. cash call

Expanded Metal is proposing to raise £3.2m. by a one-for-three rights issue at 55p per share. The Board also intends to raise the dividend for the current year from 3.01p to 3.62p for a prospective ex-rights yield of 7.4 per cent, following the 2p fall to 79p in the market yesterday. The issue is underwritten by Kleinwort Benson.

The company is examining a number of projects which would add to its product range. Excess funds of the issue will generate the continuation of the development programme.

It is too early to forecast for the current year, but the group's order intake and turnover including export sales compare favourably with last year, despite the recent activity in the building industry. However the pressure on margins (particularly in steel stockholding)

noticeable at the end of the year has continued and the developments made in the contribution to profits. An ERM is called for to consider an increase in authorised capital to meet the issue. Messrs W. Greenwell and Partners

Quick rights
Motor distributor... Quick is come to raise... by a rights issue of... at 21p each on the basis of... for five. The shares... higher in the market... indicating a prospective... yield of 9.2 per cent... forecast of a dividend... for this year to 1.65p... The issue is underwritten...

Variable Rate Stock

The prospectus is published for the issue of £400m. of Variable Rate Treasury Stock 1981. The stock will be redeemed on November 17, 1981.

Interest will be payable half-yearly on May 17 and November 17 at a rate per £100 of stock equal to half of the sum of an indicator rate and a fixed margin of a half. The indicator rate will be the daily average over a reference period of the Treasury Bill rate.

The reference period for the calculation of the indicator rate for each interest payment except the first will be from the date of the issue up to the relative ex-dividend date.

The first payment next November will be at the rate of 174.86808p per £100 of stock of a half. The reference payment will be the 157 days from May 27 to October 11.

If there is a change in the arrangements for issuing Treasury Bills which is detrimental to holders the interest rate will become fixed at the sum of the margin and indicator rate for the preceding payment.

STOCKPORT FAILS
The Metropolitan Borough of Stockport's offer of £10m. of 12 1/2 per cent. redeemable stock in the issue of £400m. of Variable Rate Treasury Stock 1981. The stock will be redeemed on November 17, 1981.

The market reaction last week was hardly one of surprise since the easing in gilt prices since the terms were pitched and the decision to start today a series of bids on the issue price (28p) is likely.

GILL & DUFFUS
Gill & Duffus' rights issue... raise £1m. on the basis of... for seven at 155p each has... taken up as to 0.67 per cent. The balance of 127,985 shares... been sold and the net proceeds of 20,015p per share will be... tributed to non-accepting shareholders on June 14.

FARMERS LOAN
The Agricultural Mortgage Corporation is issuing £1m. of 6 per cent. Bonds due May 23, 1978 at par.

Interest is payable half-yearly on November 27 and May 27. The bonds will be redeemed at par on May 25, 1978.

Dealings start to-day and are... are Mullens.

comment

LONGRHO is now so diverse that it is hardly worthwhile to describe the different trading experiences — none of the areas of operation now has a dominant place and an upturn in one area is compensated for by a downturn elsewhere. The attributable earnings have risen by 30 per cent. but 45.7m. shares (out of the total 154.4m.) have been issued since the end of last year's first half. The true rate of earnings per share growth is therefore probably quite moderate. One depressant worth mentioning is Brentford Nylons, which is still making losses as well as costing interest on the cash investment. For the full year, the company reports that subsidiaries are enjoying healthy trading conditions generally, but the fourth quarter will probably not benefit from the currency boost which it had last time. The shares, at 75p, yield 13.2 per cent, but the scope for further dividend growth now looks below average.

Statement, Page 27

FENCHURCH INSURANCE

Fenchurch Insurance Holdings, a member of the Guinness Peat Group, has formed a new company, Fenchurch South Western Insurance Brokers, now operating in Bristol. The company will provide a full range of insurance services for business and industry.

Gomme sees second half downturn

PRE-TAX profit of G-Plan furniture manufacturers, Gomme Holdings was little changed for the six months ended January 30, 1977 at £1.08m. compared with £1.07m. Turnover was up from £11.27m. to £12.23m.

The directors say that the results were satisfactory in the prevailing conditions and in spite of heavy increases in the cost of materials.

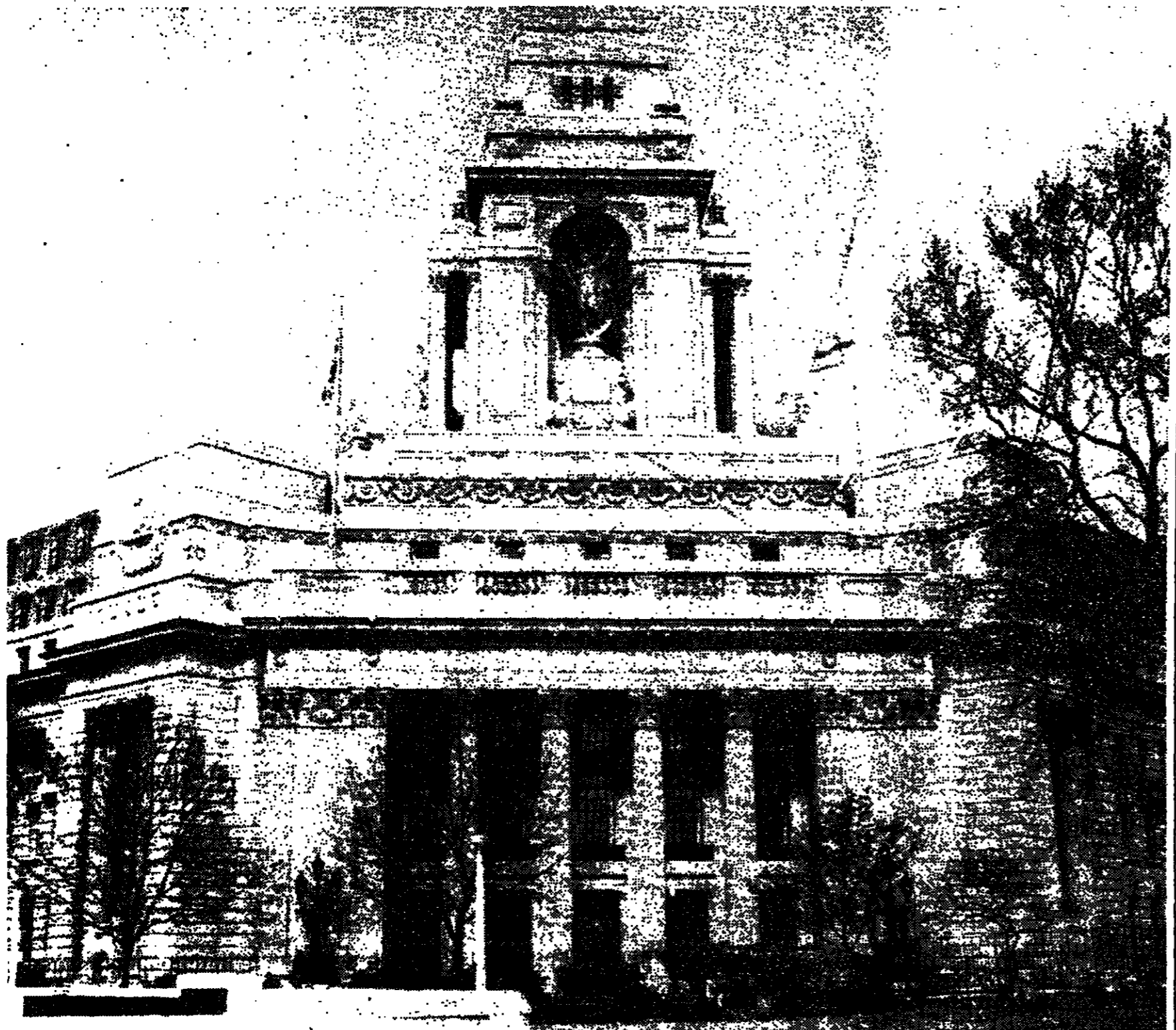
There has been a recent slackening of sales, they add, which may affect the volume of the company's deliveries this summer.

They say that second half profits are unlikely to be as high as the first half.

The net interim dividend per 25p share is increased by the maximum permitted to 0.85p, compared with an equivalent 0.8065p after a one-for-one scrip issue. The directors forecast a maximum permitted increase in the final dividend to make a total of 2.879p for the year against 2.709p for 1975/76, paid from record profits of £2.47m.

comment

Although its profits are virtually unchanged Gomme Holdings' interim performance compares favourably with that of the rest of the furniture industry. Gomme's sales volume dropped by 2 per cent. last year and is likely to decline by around 3 per cent. in the second half, but it still seems to be widening its share of the sliding market. The latest DTT figures show that the volume of orders in hand for the domestic furniture industry are roughly 12 per cent. lower than a year ago. Margin pressures—over half of raw materials are imported—should ease slightly in the second half but as the volume decline bites deeper the group will probably be aiming for profits of no more than £1.1m. (21 per cent. lower than in the corresponding period) for a full year pre-tax profit of £2.15m. This still means that the group is



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comment

A setback at the canning division resulting from the poor crop following last summer's drought, and a hold-up in the expansion of the cereals division because of overdue equipment from Canada halved Robertson's hoped-for growth—profits moved ahead only 13 per cent. At home sales volume increased 7 per cent, helped by some aggressive pricing in the preserves division, where marmalade volume rose 8 per cent, (2 per cent. nationally) and jam 5 per cent. (1.3 per cent. nationally). Last year apart, the preserves market has been gradually declining for nearly 20 years according to Robertson, which is obvious of concern, bearing in mind that it accounts for over 55 per cent of group sales. So Robertson is placing greater emphasis on cereals (13 per cent. of sales) for the future and some £19m. has been spent over the past 18 months on expanding plant. At 85p the p/e of 7.8 is a tenth over the sector average, but Robertson has the edge when it comes to its yield of 8.4 per cent. (covered 2.3 times) against an average of 5.8 per cent.

Wm. Press reaches £7.39m.

AFTER RISING from £1.62m. to £7.22m. in the first half, pre-tax profits of engineering contractors, Wm. Press & Son, finished 1976 ahead from £4.43m. to a record £7.39m. on turnover of £188m. compared with £117m.

Earnings were shown to be up from 4.85p to 6.25p per 5p share and, as forecast, the dividend total is 1.5p (1.20p) but on capital increased by last year's rights issue and the acquisition of James Scott Group. The final payment is 0.75p.

The Board also recommends a one for one scrip issue. The new shares will not rank for the final dividend for 1976.

	1977	1976
Turnover	188,000	117,000
Profit before tax	7,222	4,435
U.K. tax	3,225	1,842
Overseas	3,997	2,593
Net profit	3,000	2,300
Minority loss	67	72
U.K.	2,933	2,228
Dividends	583	563
Carried forward	2,718	15,125

Results include profits of James Scott Group from February 1, 1976. The profit before taxation, so consolidated amounting to £306,000.

HAWTHORN
Because of an error in mission, the name of the Shaw company, acquired by B&W, should read E. D. Hollings and Son, and not Dillworth.

The Trust Union, Limited.

Total Assets at 31st March, 1977 £30 million

Category	Percentage
Capital Goods	14.2%
Consumer Durables	9.7%
Consumer non-Durables	15.1%
Financials	34.2%
Chemicals	4.4%
Oil	7.5%
Minor	5.2%
Others	8.3%
Fixed Interest	1.4%

Geographical Distribution of Investments by Sector

Region	Percentage
UK	62.5%
North America	24.8%
Australia	3.9%
Far East	2.6%
Other Countries	6.6%

Net Assets per Ordinary Share: 100 (1967), 155 (1976), 159 (1976), 211 (1976), 219 (1976)

FT-A All Share Index: 100 (1967), 146 (1971), 121 (1975), 168 (1976)

Price per Share: 100 (1967), 158 (1976), 138 (1976), 171 (1976), 187 (1976)

Retail Price Index: 100 (1967), 126 (1971), 201 (1975), 244 (1976)

Gross Dividends per Share: 100 (1967), 116 (1976), 137 (1976), 174 (1976), 222 (1976)

FT-A All Share Dividends (Indexed): 100 (1967), 112 (1971), 148 (1975), 165 (1976)

A member of the Touche, Remnant Management Group
Total funds under management exceed 2600 million.
Copies of the Report and Accounts can be obtained from the Secretary of The Trust Union, Winchester House, 77 London Wall, London EC2M 1BR.

Bass Charrington ahead to £35.5m. at midterm Recovery trend at Courtaulds ICI up £13m. to £141m. in first quarter

After depreciation of 11.2m. compared with £8.4m. borrowing costs of £8.2m. against £8.5m. pre-tax earnings of Bass Charrington advanced from £28.2m. to £35.5m. for the six weeks to April 9, 1977. Sales rose 18.5 per cent higher at £68.7m.

BOARD MEETINGS

The following companies have notified the Stock Exchange of their Board meetings for the purpose of considering the Official Indications are not available without disclosure of information or facts held by the company which are not available to the public.

Table with columns: Company Name, Date, and Location. Includes: Bass Charrington, Courtaulds, ICI, etc.

Caravans midway upsurge

First Half (to February 28) profits of Caravans International have expanded to £966,600, against £511,300 in the corresponding period last year.

A BIG jump in pre-tax profit from £46.2m. to £50.2m. is announced by Courtaulds for the 12 months ended March 31, 1977.

The year-end results indicate a partial recovery and the outcome is still well below the 1973-74 and 1974-75 figures of £116.3m. and £125.7m. respectively.

Stated earnings for the year are 57.1p (90.2p) per £1 share after an exchange adjustment of £0.82m. (£1.54m.) and minorities.

The net final dividend is 13.46p for a total of 18.25p (8.86p) — the Treasury has granted the company exemption from dividend restrictions.

EXTERNAL sales for the first quarter of 1977 at Imperial Chemical Industries were some 57 per cent. higher at £1.19bn.

The directors say the recovery in the overall volume of sales continued during the first quarter; the improvement being most marked in the U.K., Continental Europe and North America.

London & Northern unchanged

AS INTIMATED at the half-year 1976, profits of London & Northern Group for 1976 have shown an increase. But allowing for substantial rises in exchange rates, a reduction in the value of development land and related work, and an exceptional loss this time in an overseas subsidiary, the pre-tax profit was held at £5.8m.

Fortnum & Mason slight fall

DEPARTMENT store operators Fortnum and Mason reports little change in pre-tax profit for the year ended January 29, 1977, down slightly from £588,610 to £557,888.

£0.88m. result from New Throgmorton

Pre-tax revenue for the year to March 31, 1977 at New Throgmorton Trust came to £880,012. This compares with £1,220,000 in 1975-76 which included certain non-recurring revenue from fixed interest holdings.

EIH turns in £46,000 for year

On turnover of £2.97m. against £2.8m., Edinburgh Industrial Holdings achieved a turnaround from a pre-tax loss of £400,000 to profits of £44,000 for the year to October 30, 1976, with £5,000 profit in the first six months.

Keystone Inv. revenue rise at halfway

Gross income of Keystone Investment Company for the six months ended April 30, 1977, rose from £289,518 to £358,820 and pre-tax revenue was £303,074 compared with £235,532.

Liner Concrete 44% ahead

Profit before tax for the 25 weeks to February 28, 1977, of Liner Concrete Machinery Company advanced by 44 per cent. to £10,000 and Mr. P. S. Field, the chairman, forecasts an improved 12-month result over last year's record £102,000.

Grant Bros. holds payment

Department store operators Grant Bros. reports a profit of £147,106 for the year ended March 31, 1977, after £9,886 (£7,04m.) at half-time.

Costain turnover growth spans the globe.



DUPORT GROUP

The Duport Group of Companies operations are steel making, engineering and the manufacture of bedding and other durable products for the home



Salient points from the Report and Statement by the Chairman, Mr Eric C Sayers, for the year ended 31st January, 1977.

- Group profits before taxation amounted to £11.4 million compared with £4 million in 1975/76 and £10 million in 1974/75. The recovery was mainly due to much improved results from the Steel Division despite a generally depressed market for steel.

Summary of figures table comparing 1977 and 1976 performance across metrics like Turnover, Profit before taxation, Taxation, etc.

PRINCIPAL GROUP COMPANIES: Steel Division, Dupont Steels Limited, Dupont Steel Works, London Works Steel Company, Fisher Bright Steels, Baplan Foundry, Swift Leveck & Sons Limited, Engineering Division, Dupont Foundries Limited, John Harper and Company Limited, Burnan and Sons Limited, Fisher Bright Steels, Bridgton Industries Limited, Domestic Products Division, Dupont Furnishings Products Limited, Vi-Spring Limited, Swiss Products Limited, Greenwood Products Limited, Slumberland (Australia) Pty. Limited.

Little change at Feb International

Pre-tax profits of Feb International for 1976 were little changed at £240,000 against £240,000 after being behind at midway from £132,000 to £121,000. Sales for the year were £9,355m. compared with £9m.

Bonus rise by Colonial Mutual

The Colonial Mutual Life Assurance Society has announced record levels of reversionary bonus for 1975 on its life insurance business. The initial rate on whole life contracts is now £38 per £1,000 sum assured (previously £35), while on each five years of duration to a maximum of £226 (£206), while on endowment assurance the initial rate is £35 (£32), rising to £223 (£203) for durations of 45 years or more.

Mr. J. P. Sowden, Chairman, reports: New record level of turnover: up 38% on 1975. New record level of pre-tax profits: up 54% on 1975. Dividend is again the maximum payable under current legislation and is covered more than nine times. Work on hand at 31 March 1977 £650 million of which £440 million is overseas. Expectation of further satisfactory increase in turnover and profits.

Financial Summary table for 1976 and 1975. Includes Turnover (358,000 vs 259,000), Pre-tax Profit (23,314 vs 15,104), Profit after tax and minorities (10,427 vs 6,641), Earnings per share (28.1p vs 17.8p), Dividend per share (3.0967p vs 2.8153p).

TKM Group reports record operating profit and earnings

Despite difficult trading conditions, record profits and earnings were produced in 1976. Group operating profit exceeded £6 million. Whilst, as expected, overseas taxation was disproportionately high, the consolidated tax charge was improved by the availability of reliefs against U.K. taxation. After deducting Loan Stock interest, earnings—before an extraordinary loss of £1,298,000—increased to £2,465,000 representing 8.8p per share.

Dividend

A final dividend of 1.7886p per share is recommended (the maximum permitted), making a total equivalent gross dividend of £7.752p for the year. The dividend is covered 3.6 times.

Financial Highlights 1976

Year ended 31st December	1976	1975
Volume of business	909,000	652,000
Operating Profit	6,007	4,057
Profit before Taxation	5,421	3,471
Earnings	2,465	1,751
Earnings per share	8.8p	6.2p
Gross dividends per share	3.7520p	3.4109p
Dividend cover	3.6 times	2.8 times

Group Activities

International Trade Finance Division: Short and medium term credit for the international movement of goods. Hire purchase and leasing.

Investments Division: Automotive distribution; food processing; engineering, services to commerce and industry.

Price & Pierce Group: International agents for sale of forest products. International transportation. Holiday travel. Finance and insurance.

Tozer Kemsley & Millbourn

(HOLDINGS) LTD
Copies of the 1976 Report and Accounts can be obtained from the Secretary at 28 Great Tower Street, London EC3R 5DE.

ICL reaches £13m. midway

IN THE half year to March 31, 1977, turnover of ICL expanded by 37 per cent to £137.5m. and pre-tax profits advanced by 24 per cent from £10.5m. to £13m. Mr. T. C. Hudson, the chairman says the outlook for the rest of the year looks promising.

First half orders, turnover and pre-tax profit all exceeded plan he tells members.

The results include the former Singer Business Machines International operations, which became part of ICL on October 1, 1976, and the U.S. activities acquired from Singer and the Cogor Corporation on January 3, 1977.

The final purchase prices for the acquisitions are expected to total about £20m. payable by instalments over the three years 1976 to 1978. The directors expect this amount to be more than matched by the net cash generated from the acquisitions. Full details will be included in the next annual report.

Earnings are shown to be up from 15.7p to 20.3p per £1 share. The interim dividend is raised from 0.85p to 2.6p net and reflects the decision to restore a more normal relationship between the interim and final dividends. Last year's final was 4.5p for 3.2p total paid from earnings of 36.5p.

Overseas revenue accounted for 51 per cent of turnover. The higher charge for depreciation is due largely to the assets acquired from Singer and Cogor and to growth in the base of data processing equipment on rental.

The provision for revaluation of equipment is lower because the group took more outright sale and direct rental business, and made fewer sales to leasing companies.

The final instalment of the Government's 2800 Series was received on September 30 last. The half year under review is the first subsequent period with no Government cash contribution to development.

The integration of the former Singer Business Machines International operations is proceeding smoothly, and has considerably strengthened penetration of European markets in particular.

The acquisition from Cogor of development and manufacturing facilities at the Utica, New York State, is also significantly helping to establish firmly the group's presence in the U.S. market. The first new product to emerge from this acquisition, the System Ten 230 Series small business computer, was successfully launched in February 1977. First deliveries of the System Ten 230 were made from March and its production is now well under way also in the factory at Leitchworth in England.

Production was interrupted several times during the half year because of industrial relations problems in manufacturing activities. As a result, some delivery commitments to customers were not met, and both revenue and profit were adversely affected.

The industrial disputes, which centred on the group's northern plants, cost some £2m. in lost profits in the half year.

Some of the disruption carried through into the current half, but Mr. Hudson says ICL is free of them now.

With industrial relations already improved he expects the second half to be very much better than the first. Over the opening six months all the profits growth came from overseas. U.K. profits were fairly static reflecting the problems on the industrial relations front. However, it is not quantifying the exact size of the profits contribution from its new acquisitions during the six months, but they accounted for slightly over half of the increase in the group's turnover during the period. Research and development spending went up by some 20 per cent.

comment

The market had been hoping for something more than a 24 per cent increase in ICL's interim profits and the shares fell by 8p to 222 on the news, where they stood 21 per cent. However, the outturn was affected by a £4.5m. increase in the depreciation charge, and strikes at ICL's production facilities probably cost the group further £2m. or so. In addition to these short-term factors, the fact that ICL is obliged to start repaying some of the Government's 2800 Series contribution for 1977 is likely to be influencing the company's strategy. Under the agreement ICL has to repay to the Government all pre-tax profits earned over and above 21 per cent of turnover up to a maximum amount in any one year equal to 25 per cent of total pre-tax profit. In the last six months the pre-tax margin was 30 per cent, and there must clearly be an incentive to keep this low until the agreement lapses in 1983.34. As it is, ICL's integration of the Singer business has involved some reorganisation costs but it should add around £7m. to this year's turnover. However, the main impediment overhauling the share price at the moment is the question of the full restoration of the dividend, and the company has not taken any firm decision on this yet.

Successful year for Medical Sickness

A successful year for Medical Sickness Annuity and Life Assurance Society is reported by Dr. Thomas Hunt in his chairman's statement for 1976, with new high levels for both activity and profitability.

During the year, the society accepted 2,123 new members bringing total membership to a record 36,812. New premium income rose by one-third to £77,000, funds advanced by £2.7m. to £24m. and total premium income exceeded £5m. for the first time. These results, said Dr. Hunt, were achieved despite the many problems affecting professional men and women whose financial standards had been eroded by rising prices, incomes held back and progressive taxation.

During the year, the society invested £1.8m. in gilts and £0.4m. in industrial and commercial debentures to take advantage of the high yields available on fixed interest securities. A further £0.8m. was invested in equities and convertibles and a further £245,000 in industrial property which brought the total investment in land and property up to £8.5m.

Investment income exceeded £5m. for the first time and the yield on the funds jumped by 1.2 per cent to 9.9 per cent. Dr. Hunt points out that the new, more stringent rules for valuation of life company assets had caused no problems for the society.

Dr. Hunt reports that the society in 1976 had managed to bring down the expense ratio in spite of inflation. The number of new policies issued over the year was 10 per cent higher, but the number of staff had been reduced to 250. An ever increasing proportion of members were arranging for premiums to be collected by direct debit, a method that saved them trouble and was far more economical for the society.

The index-linked sickness and accident insurance policy introduced last year has proved very popular, claims Dr. Hunt, and refers to the new personal pension policy recently issued by the society designed to enable members of the medical and dental profession to invest part of their income from private practice towards retirement.

The Beauford Group

RESULTS FOR YEAR ENDED

31st DECEMBER	1976	1975
	£	£
Turnover	4,300,939	4,551,037
Profit before tax	433,261	382,549
Profit after tax	200,491	166,549
Earnings per share	6.2p	5.1p
Dividend per share	2.99p	2.72p

From the statement by the Chairman, Mr. G. Crawford:

Pre-tax profits for 1976 were 23% higher than those for 1975.

The Board is recommending a final dividend of 2.04p per share net, the maximum permitted by law. But for the present restrictions, the Board would have felt able to recommend a somewhat higher dividend.

The Company's liquidity has been improved, despite capital expenditure amounting to £300,000 during the year.

We have again budgeted for a satisfactory increase in profits for the current year. Our management figures, so far, are up to expectations and your Board has every confidence that, provided the climate for our industry does not deteriorate further, we shall meet our target.

THE BEAUFORD GROUP LIMITED
CLECKHEATON, YORKSHIRE

Beralt Tin and Wolfram Limited

Extracts from the statement by the chairman,

Mr. L. G. Stopford Sackville

It gives me particular pleasure to have this opportunity to comment on Beralt's activities at this time as the company was incorporated in 1927 and so 1977 marks our 50th anniversary. The past year has been one of increasing political stability in Portugal and, following the uncertainties prevailing over the previous three years, this is to be welcomed.

Operating results

Consolidated pre-tax profits for the year amounted to £2,572,000 compared with £2,427,000 in 1975. The improvement in results was largely due to the substantial increase in the sales prices obtained for wolfram concentrates. Taxation amounted to £694,000 and after deducting minority interests of £446,000 and taking into account extraordinary items of £172,000 and a transfer to the legal reserve in Portugal, attributable profit after tax amounted to £1,213,000 compared with £867,000 in 1975. Earnings per share were 12.47 pence compared with 6.36 pence the previous year.

Dividends

The ability of your company to pay dividends is principally affected by three factors, firstly the profits earned by the operating company, Beralt Tin & Wolfram (Portugal) S.A.R.L., secondly the proportion of such profits declared as a dividend and permitted to be paid to your company and thirdly the effect of taxation on these payments both when they are received and when dividends are paid to shareholders. Taking account of these factors your Board has endeavoured to ensure the maximum available for distribution is paid to shareholders by way of dividends.

In 1975 when net profits amounted to £867,250, the operating company declared a dividend which when authorised for payment to your company would, as reported in my statement in May 1976, permit a distribution to shareholders of 2.5p per share. In the event the Portuguese authorities authorised the payment at the end of 1976 and as a result of exchange differences and optimising the overall effect of corporation tax and advance corporation tax during the year, it was possible to distribute 3p per share.

Turning to the earnings of £1,213,349 net of tax for the year under review, the Portuguese company has declared a dividend of 52.7 million escudos and consent to being sought for the remittance of your company's full share. Upon receipt and subject to exchange rate adjustments and the effects of taxation this would enable a dividend to be paid to shareholders of 2.5p per share. Dividend payments by the operating company have been the subject of discussion with the relevant authorities and the dividend which is a higher amount in Portuguese currency has been declared in accordance with the Portuguese foreign investment code and thus the lower sterling distribution to shareholders results from the recent devaluation of the escudo.

We welcome the co-operation by the Portuguese authorities in the current economic circumstances and their adherence to the consents for dividend remittances that have been given. This is of the utmost importance for the attraction and retention of foreign investment and it reinforces our confidence in Portugal.

Production

Production of concentrates at the mine in 1976 amounted to 1,597 tonnes of wolfram, 1,441 tonnes of copper and 75 tonnes of tin compared with 1,742, 1,034 and 87 tonnes respectively in 1975. Copper concentrate production increased due to improved recoveries; however, the fall in production of wolfram and tin, the former of which is much the most important from the revenue earning point of view representing approximately 95% of sales receipts, was largely due to three factors. Firstly, a government decree in April 1976 reduced the hours in the working week. At Passosqueira this reduced the working week

Copies of the chairman's statement, together with the annual report and accounts, may be obtained from the registered office of the company at 40 Holborn Viaduct, London EC1P 1AJ, or from the transfer office at P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 9BQ.

The 49th Annual General Meeting of Beralt Tin and Wolfram Limited will be held at 12 noon on Thursday, 23rd June, 1977, at 40 Holborn Viaduct, London EC1P 1AJ.

from 6 to 5 days. Secondly, in October there were serious incidents between Cape Verdean and local Portuguese miners which led to 133 Cape Verdeans leaving the mine; newly recruited workers require a period of training before full efficiency can be restored. Thirdly, in December the underground workers implemented a "go slow" in support of higher wage demands. Normal working resumed on 2 February, 1977.

Sales

Sales of wolfram concentrates during the year totalled 1,731 tonnes leaving year-end stocks at normal working levels. The LMS higher quotation price for wolfram concentrates was very firm throughout 1976 starting in January at £44 per metric ton unit and finishing in December at US\$ 147.50 or the equivalent of approximately £87 p.m.t.u. with the average high quotation for the year at £65.6 p.m.t.u. The quotation was changed from sterling to dollars towards the year end.

The Primary Tungsten Association

Your company has continued to give its support to the Primary Tungsten Association which has contributed on a number of occasions during the year to the discussions being held by UNCTAD on commodity agreements. The volatile nature of the prices of many commodities including wolfram in 1976 has focused discussion on how commodity agreements can be established in the best interests of all members of the respective industries.

Beneficiaries of concentrates

Studies have also been actively continued during the year into the possibilities for beneficiating the wolfram concentrates into upgraded tungsten products. Skilled technology is involved as well as capital and should prove possible to invest to show an increasing return on capital serious consideration will be given to the establishment of the new plant and equipment required.

Capital expenditure

Major development to secure the longer term future of the mine has already been started. Plans have been finalised and work has commenced during the year on the installation of an incline shaft to open the new 560 level. Capital expenditure in 1977, a large proportion of which will be for this new shaft, is estimated at £1,500,000 and it is anticipated the installation will be completed by 1979.

Financial position and the future

Turning to events in 1977 the group's cash position remains healthy with balances of £5,395,000 at the beginning of the year; however, since the majority of the funds are held in Portuguese currency their purchasing power was eroded following the devaluation of approximately 15% of the escudo in the first quarter of 1977. Once again, however, the predominant feature of the year to date has been the continuing increase in the price for wolfram concentrates which has risen from \$147.50 p.m.t.u. in December to \$184.50 p.m.t.u. on 10 May, an increase of approximately 25%. Whereas on the one hand I welcome the benefits this high price level brings the company by way of enhanced sales receipts, on the other I believe it is necessary to sound a note of caution. I do not believe that this price can be sustained in current money terms over an extended period; new production coming on stream in other parts of the world and wolfram prices can be expected to follow their traditional pattern of volatility at least until some form of industry-wide commodity agreement is reached. It is therefore necessary to continue to control costs as rigorously as possible and the company cannot afford industrial action such as that experienced between December and February just because prices are high at the time. Having sounded this note of caution I think we can confidently look to the future in Portugal in general and the successful continuity of both existing operations and new developments for the company in particular.

COURTAULDS

Profit and Dividend 1976-77

The Board announces its intention to recommend a final dividend of 4.549p per Ordinary Share which, together with the imputed tax credit at 35%, is equivalent to a gross dividend of 6.998p making a total for the year of 10.315p. Under the Government's counter-inflation regulations this is the maximum permitted. It compares with 9.396p for 1975-76. If the 1977 Finance Act amends the rate of imputed tax, the Directors intend to take account of this change when considering dividend payments in respect of the 1977-78 year.

The results are:

Year to 31st March 1976		Year to 31st March 1977
£m		£m
1,166.3	World Sales to Third Parties	1,510.3
574.6	Sales to UK Customers	713.0
285.3	Exports from United Kingdom	404.8
102.5	Trading Surplus	144.9
56.2	Depreciation	64.0
46.3	Profit before Taxation	80.9
15.2	Less Taxation including £7.2m abroad (1976-£5.6m)	19.9
31.1		61.0
6.9	Less Minority Shareholders' Interest	7.8
24.2		53.2
2.1	Extraordinary Items (add in 1976—deduct in 1977)	8.1
26.3	Courtaulds Shareholders' Interest	45.1
0.2	Dividends—Preference	0.2
16.6	—Ordinary	18.3
16.8		18.5
9.5	Retained	26.6
26.3		45.1
	Earnings per Ordinary Share 19.400p (1976—8.788p)	

Extraordinary Items comprise reorganisation and closure costs of £8.4m (1976—£7.9m), an exchange deficit of £1.7m (1976—surplus of £5.7m) and realisation profits of £2.0m (1976—£4.3m).

World trade in the Company's products made some recovery in 1976. Exports increased substantially and the more competitive level of sterling in the second half of the year contributed to the improved results. In the UK domestic market there was less scope for expansion.

Investment in new fixed assets amounted to £96m. Increased working capital requirements were £85m as a result of inflation and increased sales volume. Cash resources have been reduced by £63m. New borrowings totalled £30m including a drawing of £28m on the sterling medium term loan facility of £130m.

The accounts will be posted on 20th June 1977 and the Annual General Meeting will be held on 20th July 1977. The Ordinary Final Dividend will be paid (if approved) on 29th July to Shareholders on the Register on 26th May 1977.

Courtaulds, Limited,
18 Hanover Square,
London W1A 2BB.

L. R. Croydon,
Secretary,
26th May 1977



Hopkinsons Holdings Limited

World Leaders in the Manufacture of Valves and Boiler Mountings

Points from the Review of the Chairman, Mr. I. G. Hopkinson

GROUP RESULTS

For the year ended 28th January, 1977 our total Group sales of £32.9m. (last year £26.5m.) produced trading profits of £4,749,000 (last year £2,888,000). Group profit before taxation was £4,363,000 (last year £2,405,000). Generally increased sales, improved controls on all forms of expenditure and better margins led to a reduction in borrowings and interest charges. With the improvement in liquidity there has been the significant increase in capital expenditure on modernisation and improvement of productive plant facilities. It is this expenditure which is so vitally necessary to maintain our competitiveness, secure continuity of employment and produce satisfactory results in future years.

EXPORTS

In common with many other engineering companies we have not yet had the benefit of any significant upturn in trade either at home or abroad, and the signs are that it may be towards the end of the year before the long promised improvement comes. Meantime the export content of Group sales has been maintained at slightly more than 30% but our target of reaching 40% by 1978 becomes even more formidable. Nevertheless I am satisfied that the necessary extra efforts are being made in this direction throughout the Group.

PROSPECTS

Last year I said that the main problem in all Group companies was to obtain sufficient orders to maintain the higher levels of output achieved. I am delighted to report that output both by volume and value has increased further but obviously the higher the tempo the higher the level of orders required. Although I can see little improvement in world trade, and the early months of the year are going to be difficult, I expect Group results for the full year to show an improvement on the year under review.

Hopkinsons Holdings Limited, Britannia Works, Huddersfield, Yorkshire

Best year Quick

acks for

Joy 1550

Phoenix up in first quarter

AN INCREASE in pre-tax profits of 48.8 per cent to £5.9m for the first quarter to March 31, 1977, is reported by Phoenix Assurance. Last year's total was £3.98m.

Tax takes £2.7m, against £1.5m and minority interests £400,000, compared with £2.0m, leaving net profits at £2.2m against £2.3m. Earnings per 25p share are shown as 6.4p against 4.6p—an increase of 40 per cent.

Net premiums written in fire, accident, marine and aviation rose by 19.6 per cent, from £73.1m to £87.4m, and investment income showed a 33.2 per cent gain at £5.7m, compared with £4.3m.

The underwriting loss in fire, accident, marine and aviation has been cut back slightly from £2m to £1.8m.

The directors say that the improvement in the U.S. and Canadian results has been maintained but the loss has been offset by losses in the U.K. and Europe.

In the U.K. the property classes remained profitable but the notification of further subsidies losses, they add. There was a sharp increase in motor claims due to adverse weather conditions and a cautious view is being taken of the continuing effect of inflation on reserves for the liability classes.

The general overseas territories show some improvement over the corresponding period of 1976, it is stated.

The directors emphasise that interim figures cannot be taken as a reliable guide to results for the full year.

comment

The first quarter figures from Phoenix were slightly below expectations and the shares fell 4p yesterday to 232p. The trouble was in the underwriting losses in the U.K. and Europe, about 30 per cent of the U.K. business is now in motor accounts and much of this is in the North where the harsh winter led to significantly higher claims incidence.

Some compensation came in the U.S. where there was a marked recovery in comparison with the result last year which had been depressed by extra claim reserves. Meanwhile investment income surpassed best expectations rising by 33 per cent, or 26 per cent if the increased value of foreign currency income is stripped out. A boost to income came from the rise into long and medium terms in the last quarter of 1976 and again in the first quarter this year. The rest of 1977 should bring a good recovery in motor claims, the U.S. is expected to continue strongly. The reserves, yielding a prospective 6 1/2 per cent, look reasonable value.

BENJAMIN PRIEST
Benjamin Priest has now completed the acquisition of Black-

death Engineering, following the satisfactory outcome of an accountants' investigation.

Consideration of £500,000 was satisfied by £250,000 cash on completion, £100,000 being deposited in the name of shareholders as security for the forecast of profits, as defined, of not less than £100,000 before tax for the period March 26, 1977 to March 31, 1978 and the allotment of 488,940 Ordinary shares in Priest.

The 488,940 Ordinary shares have been placed on behalf of vendors by Priest's brokers, Smith Keen Cutler, to produce £250,000, subject to the shares being admitted to listing by the latter of the stock exchange not later than June 3.

Advance by Extel to £1.76m

Second-half profits of £845,000 against £678,000 at Exchange Telegraph (Holdings) brought the total for the year ended March 31, 1977, to £1.76m, compared with £1.31m on turnover 15 per cent higher at £17.89m.

After tax up from £789,000 to £580,000, stated earnings rose from 8.17p to 10.19p per 25p share and the dividend is raised from 4.41p to the maximum permitted 4.84p net with a final of 2.284p.

comment

Extel's 16 1/2 per cent pre-tax profit gain completes a two-year recovery by bringing profits up to the peak 1974 level. The bulk of profits comes from the news services side, with a maiden profit from Extel-PA Show contributing a third of the profits rise of £293,000 to £896,000. The rest, was spread across the Board and reflected price increases rather than volume gains, although some market share was taken from Moods. The divisional profits have been worked out on a new basis to take account of rentals: profits on the printing side dropped by £186,000 but this was solely due to development expenditure of £206,000 on the computerised typesetting operation. "Other income" rose by half to £301,000 as a result of higher interest rates. Overall, the group should now start its new growth phase — this is hardly reflected in the shares at 84p where the yield is 9.2 per cent, and pre 7.3.

REPORTS TO MEETINGS

Bentalls looking for satisfactory result.

Although it would be unwise to be over-optimistic about the outcome of the first six months, Mr. Rowan Bentall, chairman of Bentalls, the department stores group, said he was confident the full-year results would be satisfactory.

He was reporting to shareholders at the annual meeting yesterday. During February and well into March, sales were very satisfactory, he stated. In most weeks the group was ahead of its estimated sales figures and the profit forecast was "most encouraging." However, by the middle of April the sales momentum had waned and recently the group increase on last year had been around nine per cent.

Sharp and Fisher—Mr. K. J. Fisher said sales for the first four months of 1977 were up in money terms, but because of inflation, down in volume terms. The group was now over its price competition, he added. Search for sites, construction and was not diminished by the present state of trade.

Bentalls—Sales and profits for the first four months of 1977 were well ahead of the winter last year, reported Mr. John Jones, Bentalls Hydrological Corporation was fitting into the group and the outlook for most of the operating units was encouraging.

If the rate of ACT was reduced an additional net dividend of 0.64p per share for 1976 would be paid together with the 1977 interim dividend later in the year, significant growth prospects.

Domestic cutback by TKM

THE POLICY at Tower Kemler and Millonair (Holdings) is to develop cross frontier business and curtail domestic trade finance within countries, states Mr. K. A. C. Thorogood, chairman, in his annual review.

Contrary to popular belief, he tells members, international financing can be a good deal less risky than domestic lending, particularly in these days of progressively sophisticated credit insurance arrangements for international trade.

The proportion of total outstandings by way of bills receivable and bills negotiated/discounted which is subject to credit insurance is now as high as 72 per cent.

When this cover is taken into account, the company's actual plus contingent liabilities to bankers, compared with funds invested in the business by shareholders and subordinated loan stock holders, is only 3.2 to one.

As reported April 27, pre-tax profit for the year 1976 was record £5.42m. (£5.47m.) on turnover up from £32.2m. to £39.9m. The EEC accounted for 54.5 per cent of turnover.

A source and application of funds statement shows a net increase in short-term borrowings of £0.12m. (£10.15m.).

Meeting: 26 Great Tower Street, E.C.4. June 22, 11.45 a.m. Statement, Page 24.

Subsidy helps Causton

DUE LARGELY to the temporary employment subsidy payments received during the period, lithographic and letterpress printers Laurence Scott, the electrical and stationery, Sir Joseph Causton, and Sons made a modest profit of £35,000 for the six months to March 31, 1977 compared with a loss of £271,000. The loss for all 1976-77 was £265,017.

Turnover for the first half was up from £4.85m. to £3.22m, after deducting the material content of £1.54m. (£1.27m.).

Profits were struck after interest of £225,400 (£199,000). Extraordinary debits took £31,000 (£24,000). Again there is no interim dividend. The last payment was a total of 1.6706125p net for 1976-77.

The directors say the group is using the breathing space provided by T.E.S. to reduce operating costs still further, to consolidate its businesses on a reduced number of sites, and to realise surplus assets, all of which involves consultation and negotiations with trades unions and staff.

Although the group is operating well within its facilities, the board is continuing to give priority to reducing bank borrowings.

LAURENCE SCOTT
The preliminary results of Laurence Scott, the electrical and stationery, Sir Joseph Causton, and Sons made a modest profit of £35,000 for the six months to March 31, 1977 compared with a loss of £271,000. The loss for all 1976-77 was £265,017.

London and Northern Group Limited

Results for Year Ended 31st December 1976	1976 £'000	1975 £'000
Group Turnover	227,000	226,000
Trading Profits	9,449	8,667
Foreign Exchange Profits	2,390	1,420
Provisions against development land and related work in progress	(2,360)	(510)
Exceptional loss in overseas subsidiary	(400)	—
Profit before tax	9,579	9,577

* After an increase in minority interests in overseas earnings, earnings per share were 5.09p against 5.52p.
* Net borrowings have been reduced as anticipated.
* Annual dividend maintained at 3.25p per share.

BRITISH HOME STORES

... sales, on a 52 week comparison — up 17.6%

... operating profit before tax, against 53 weeks — up 16.4%



Points from the statement by the Chairman, Sir Jack Callard:

	52 weeks to 2nd April 1977 £'000	53 weeks to 3rd April 1976 £'000	Increase %
Sales	244,326	210,633	16.0
Trading Profit	28,912	25,404	13.8
Operating profit before taxation	25,498	21,911	16.4
Dividends on ordinary shares			
Interim 2.5163p per share	2,569	1,820	
Final 3.1p per share	3,165	3,165	
Total 5.6163p per share	5,734	4,985	
Earnings per share	11.88p	10.99p	

... despite difficulties our sales performance reflects an improvement in our market share. In all the difficult circumstances our staff have demonstrated a high degree of loyalty; this applies equally to our suppliers. I thank them all.

Plans are in hand for likely new stores in Kingston, Peterborough, Staines, Eastbourne and Maidstone and extensions at Glasgow, St. Albans, Mansfield, Wigan and St. Helier (Jersey).

Within the next few months, we shall open major new stores at Leeds and Dublin and during 1978 at Bromley, Barnsley, Kensington High Street and Dundee.

The sales areas of our Birkenhead and Liverpool stores will be doubled this year, and major extensions at Stockport and Edinburgh completed in the next two years.

SavaCentre Limited, the company which we own jointly with J. Sainsbury Limited is well advanced for the opening of its first hypermarket at Washington, near Sunderland and Newcastle. The opening is due in November of this year.



Best ever year for Quicks!

An all time record turnover coupled with a highest ever trading profit was recorded by the H. & J. Quick Group Ltd. in 1976. In his Annual Statement Mr. Norman Quick, Chairman of the Group, also reported:

- The Group turnover for the year to 31 December 1976 was £32,874,128, compared with £24,147,690 for the previous year, showing an increase of 36%.
- Trading profits (before interest) was increased by 59% from £545,555 to £860,850.
- Profit before tax rose by 78% from £287,649 to £510,836.
- Earnings per 5p share were increased by 74% from 3.55p to 6.2p.
- A Final Dividend of 0.523p per 5p Ordinary Stock Unit is declared, making 1.026p the total for the year which is the maximum allowable under statutory dividend limitations.
- The superb achievement reflects the high standards of the Quick Group staff, backed by the enormous demand for an excellent product range from Ford Motor Company.
- Results continue to improve. All of us in the Quick Group are professionals and we are extremely optimistic for 1977 and into 1978.

Quicks for Ford

Copies of the Annual Report and Accounts are obtainable from the Secretary, H. & J. Quick Group Ltd., 650 Chester Road, Old Trafford, Manchester M16 0DU.

BRITISH HOME STORES

Year	1972/3	1973/4	1974/5	1975/6	1976/7
Sales	99,940	121,021	161,798	210,633	244,326

Year	1972/3	1973/4	1974/5	1975/6	1976/7
Profit	13,342	15,464	18,596	21,911	25,498

Year	1972/3	1973/4	1974/5	1975/6	1976/7
Expenditure	4,226	7,247	11,934	14,362	14,268

Hunt & Moscrop Group

Manufacturers of Heat Exchangers, Effluent Treatment Plant, Process Plant, Paper Machinery, Textile Machinery and General Purpose Machinery.

- In the half-year ended 31st December 1976:
- Pre-tax PROFITS at £585,000 were 29% up.
 - TURNOVER increased from £5.2 million to £5.9 million.
 - Larger order books for HEAT EXCHANGERS after definite upturn in demand.
 - Steady demand for EFFLUENT PLANT and prospects for PROCESS PLANT most encouraging.
 - Improved incoming orders for PAPER MACHINERY; prospects for TEXTILE MACHINERY exports good.

Mr E W Hunt, Chairman, says: "I expect 1977 to be another progressive year and I look forward to the future with confidence."

Interim DIVIDEND declared - 0.2382122p - a rise of 10%. Treasury consent obtained for ANNUAL dividend to be 50% more than last year.

Hunt & Moscrop (Middleton) Ltd, PO Box 36 Apex Works, Middleton, Manchester M24 1QS.

Unidollar Trust

Copies of a Bi-annual Report for the period to 30th March 1977 - are available to shareholders at the offices of the Managers and Paying Agents named below.

Managers: Barclays Unicorn International (Channel Islands) Ltd, P.O. Box 152, St. Helier, Jersey, CHANNEL ISLANDS.

Paying Agents:

<p>The Hongkong and Shanghai Banking Corporation, P.O. Box 99, Raffles Centre, BRUNEI.</p> <p>Sarawak Bank (Hong Kong) Limited, P.O. Box 235, Commerce Centre, Upper Ground Floor, Cantonment Road, KUALA LUMPUR.</p> <p>Singapore International Banking Corporation, 120, Market Street, SINGAPORE.</p> <p>Bank of China, Ltd., 20, Market Street, SINGAPORE.</p>	<p>Bank of India, Ltd., 20, Market Street, SINGAPORE.</p> <p>Bank of Malaya, Ltd., 20, Market Street, SINGAPORE.</p> <p>Bank of China, Ltd., 20, Market Street, SINGAPORE.</p> <p>Bank of China, Ltd., 20, Market Street, SINGAPORE.</p>	<p>Bank of China, Ltd., 20, Market Street, SINGAPORE.</p> <p>Bank of China, Ltd., 20, Market Street, SINGAPORE.</p> <p>Bank of China, Ltd., 20, Market Street, SINGAPORE.</p> <p>Bank of China, Ltd., 20, Market Street, SINGAPORE.</p>
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MINING NEWS

Beral's mine still prospers

BY KENNETH MARSTON, MINING EDITOR

THANKS to buoyant prices for wolfram (tungsten) concentrates which have risen at least 20% since 1974, Beral's mine in the Province of Braga, Portugal, is still enjoying a healthy income from the mine at Panaqueira in the province of Braga.

As already announced, the operating company has declared a slightly increased dividend of Escudos 52.7m, for 1976 and consent is being sought for the remittance of Beral's full share

which is due to be completed by 1978.

Production is being held in check by a shortage of labour and by absenteeism, but the Beral chairman, Mr Lionel Stopford Saville, remains confident for the future. He warns, however, that with new wolfram which is coupled with record prices, insurers will for a level.

Beral were 48p yesterday.



AZCON PLANS A TAKEOVER

The Gold Fields Group's U.S. subsidiary, Azcon Corporation, is reportedly diversifying with plans to purchase Micro Metalloys Corporation, which recovers gold and silver, copper and nickel from electronics scrap.

Financial details have not been disclosed but it is thought that Azcon will be paying less than \$5m (£2.3m) for a profitable company with turnover of some \$10m.

A statement from Gold Fields said that agreement in principle for the purchase had been reached with the Micro Metalloys parent company, the privately-owned Levia Corporation, which has numerous scrap operations in the San Francisco area.

Azcon has been building up a metals distribution business in the U.S. and last year expanded into the scrap business through buying Ryman-Michaels. This latest takeover is an extension of this developing interest.

Southland is hopeful

THE SYDNEY group, Southland Mining, is cautiously expecting what it calls a "satisfactory result" this year, barring unforeseen circumstances. In 1976 there was a net loss of \$145,719 (£83,800).

Last year in production in North Queensland fell to 447 tonnes in 1976, because of a power workers strike and the necessity to move the dredge to low yielding ground. But this year, states the Southland annual report, "dredging has been restored to a satisfactory level" which coupled with record prices, insurers will for a level.

Despite cyclones in the Pacific, Southland's manganese operations in the New Hebrides. It is expected that new equipment to boost production, together with re-negotiated higher prices from Japanese customers, will produce improved results.

Southland considers that the development of its manganese deposits in Italy is "well in sight." A pilot plant is being assembled to test the successful re-processed but a high rate of rejection from the washing plant to a temporary closure in December. Southland were 20p yesterday.

BIDS AND DEALS

Boots buys control of W. German company

Boots, Britain's biggest retail chemist, which bought control of the first manufacturing and marketing venture in the U.S., has now turned its attention to West Germany with the acquisition for £3.5m of a 70 per cent stake in Technochemie of Dossenheim.

The German company, based near Heidelberg, is a specialist chemical producer with a turnover of DM10m (£2.5m) and it already produces a wide range of products on a small scale for Boots. Its parent company, Scheideggel AG, a quoted German company with interests in synthetic adhesives and surgical instruments, is to retain a 30 per cent stake in the venture.

The first thing Boots announced the acquisition for £3.5m (£1.5m) of Rucker Pharma of Shreveport, Louisiana, which manufactures pharmaceuticals (prescription drugs).

Boots stressed yesterday that the present move was modest in comparison with its 1976 investment programme in the U.K., but claimed its objective was to establish an overseas chemical manufacturing operation to complement its pharmaceutical manufacturing activities in the U.K. and to gain expertise in the field.

The German Cartel Office has appealed to the Court to support its ruling that the takeover should be banned.

Sachs' manufacturing operations are being transferred to West Germany, which will supply complementary to those of GKN, except that they both supply clutches.

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Delay in GKN/Sachs decision

GKN may have to wait until the autumn for a final decision about its agreed takeover of Sachs, the major West German motor components company. Mr. Brian Heath, GKN chairman, told the annual meeting in Birmingham yesterday that a decision had been expected from the German Federal Supreme Court by July. But the heavy work-load prior to the summer recess made the outcome now doubtful until the autumn.

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Sachs' manufacturing operations are being transferred to West Germany, which will supply complementary to those of GKN, except that they both supply clutches.

Trinity Bank now part of Brown Shipley

Brown Shipley has acquired a part of Trinity Bank, which is therefore now a subsidiary of Brown Shipley. Brown Shipley now owns 60 per cent of Trinity's £102,500 capital and Philadelphia National Bank intends to retain its 22.2 per cent holding. Brown Shipley will extend a similar offer to the remaining shareholders, all individuals.

Following the sale of their shares Mr. Ronan and Mr. Crowley will leave the Board of Trinity Bank and will be succeeded as chairman by Lord Farman, who is chairman of Brown Shipley Holdings.

This closer relationship will enable Brown Shipley and Philadelphia National Bank to give Trinity stronger institutional support for its future growth and development.

SMITHS INDS.

Smiths Industries has purchased outright the pressure and vacuum gauge calibration equipment business from Barmet Instruments. The acquisition of this comprehensive range of oil and air operated, de-weight testers, complement the range of pressure and temperature instrumentation available from the Birmingham based Industrial Pressure Devices unit of Smiths Industries.

BANK RETURN

LIABILITIES	£	£
Capital	1,025,000	75,000,000
Public Deposits	15,417,931	844,833
Special Deposits	1,278,743	2,200,000
Borrowings	4,977,297	82,263,524
Reserves & Other	465,144,284	14,240,120
Total	1,944,212,612	146,868,257

LIABILITIES	£	£
Notes Issued	1,025,000,000	75,000,000
In Circulation	1,012,131,124	83,642,455
Bank's Deposits	12,655,286	2,965,467
ASSETS		
Govt. Debt	11,016,156	
Other Govt. Secs	8,113,144,727	83,908,457
Other Securities	902,540,175	6,933,457
Total	17,025,000,000	75,000,000

RENISON'S BONUS ISSUE PLANS

The Australian tin producer, Renison, which is part of the Gold Fields Group, is going ahead with plans announced last month for a one-for-one bonus issue. The move follows the approval of shareholders at an extraordinary meeting yesterday to increase the authorised capital to \$1.5m (£566k) from \$800k (£300k).

Renison has already stated that, subject to tin prices maintaining their April level, it plans to maintain its final dividend at the same rate as last year, of 25p (£1.1m) in fact the London Metal Exchange standard tin settlement price was £40 per tonne higher yesterday at £5,980 than on the day the original plans were announced.

UNION MINIERE IS CAUTIOUS

Belgium's Union Miniere intends to pursue a "very cautious" dividend policy as long as its mining assets are under review. The company's annual meeting in Brussels the chairman, M. Paul-Emile Corbiaux, gave no dividend estimate for the current year but said that the dividend had been reduced to Bfrs.800 (£98k) from Bfrs.700 in the previous year.

He said that in Canada sharply higher fuel costs and environmental regulations had raised the development cost of the Thériou copper mine to \$110m (£61m) from the \$70m envisaged a year ago.

Last year only about one-sixth of the group's total gross income of Bfrs.1,235m (£253m) came from its operational activities. The rest was provided by investment income, including profits on realisation of investments and other sources. UM were £21 yesterday at £7.6 per cent, stake in the company is held by Tanqanyika Concessions.

GO/CAVENDHAM

The committee formed by the National Association of Pension Funds to consider the controversial partial bid by Sir James Goldsmith's Générale Occidentale for half the 48 per cent minority in Cavendham is meeting this morning to consider the formal offer document. Pension funds between them hold some 8 per cent of the Cavendham shares, a holding of similar size to that of Prudential Assurance.

Pension fund managers are not happy at the partial offer of 135p cash a share, but it is uncertain at the moment whether their committee will wish to stage any opposition to the bid.

ESTATES HOUSE

Acceptances of the offer by Commercial Union Assurance for Estates House Investment Trust at 18p 20 are as follows:

14,809,827 (90.55 per cent.) Ordinary: 392,578 3.36 per cent. Preference (98.14 per cent.): 576,972 4.2 per cent. Preference (95.09 per cent.): 878,361 5.04 per cent. Preference (94.16 per cent.): 380,184 5.46 per cent. Preference (97.6 per cent.): 739,533 6.72 per cent. Preference (91.66 per cent.):

CHUBB PURCHASE

Chubb and Son has agreed to acquire the capital of L and F. Willenhall, a private company engaged in the manufacture and sale of locking mechanisms for the automotive vehicle industry, in exchange for 900,000 Ordinary shares.

Willenhall's net assets at end

Prospects at P. C. Henderson

Mr P. J. Gaylor, chairman of P. C. Henderson Group says in his annual statement that the company, with its wide geographical spread is hopeful of maintaining growth if the general economic climate does not deteriorate further.

As reported on April 29, pre-tax profit for the year to February 28, 1977, was £138m, compared with £115m. The dividend of 10p share is lifted to 3.5p (3.546p) net.

Although losses were incurred in subsidiaries in France and Germany, he adds, all the other divisions returned a profit. Sales of those were some 48 per cent of total turnover.

The chairman says he looks to the company's overseas interests as a bulwark in the erosion of trading profits.

In the U.K. Mr Gaylor says that the traditional sliding door business was maintained during the year, but the market in garage doors was less buoyant with the continued shrinkage of house building.

The market for the industrial door division has been very depressed and last year he adds may have seen the nadir. The prospects in Europe and Middle East, are reasonably encouraging and the company has the capacity to meet considerably greater demand when it comes.

Net working capital decreased by £1.82m (£239,000 increase). Lami-British holds 163,256 shares.

Meeting, Hornchurch, Essex, June 24 at 12.15 p.m.

RELIANT GROUP

In yesterday's item on Reliant Group it was inadvertently stated that the directors intended to accept the general offer of 14p a share made by J. F. Nash Securities, which has acquired a 77 per cent holding. In fact the directors will not be accepting in respect of their holdings amounting to 3.25 per cent, as they believe the company has a good future notwithstanding the change of ownership.

NOTICE OF REDEMPTION

To the Holders of Occidental Overseas Limited 10% Guaranteed Notes due 1981

NOTICE IS HEREBY GIVEN that in accordance with the provisions of the Indenture dated as of July 1, 1975 of Occidental Overseas Limited and Occidental Petroleum Corporation to Marine Midland Bank (formerly Marine Midland Bank New York), as Trustee, £1,200,000 aggregate principal amount of Notes will be redeemed on July 1, 1977 (herein called the "Redemption Date") at 100% of the principal amount thereof without premium pursuant to the Sinking Fund provisions of the Indenture. As provided in the Indenture, the Notes selected for redemption by the Trustee bear the following distinctive numbers:

COUPON NOTES OF £1,000 PRINCIPAL AMOUNT OUTSTANDING

No.	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	

IN THE absence of unforeseen circumstances the directors of Occidental Overseas Limited intend to pay a dividend of 2.5p (£1.25m) on the 28th July 1977. The dividend is payable in cash and will be paid to holders of the Notes on the date of redemption.

The directors also intend to pay a dividend of 2.5p (£1.25m) on the 28th July 1977. The dividend is payable in cash and will be paid to holders of the Notes on the date of redemption.

Runciman sees at least £2.5m.

Mr W. G. Runciman, chairman, says in his annual statement that the shipping division is inevitably beginning to suffer from the very long sea trades and ancillary trades, but the effect of this will be materially offset by the profit arising on the sale of Gotland; the Anchor Line Eastern Service, the Gibson Line sea carriers and the short sea trades and ancillary services of Currie Line all remain profitable, despite the difficult trading conditions with which they are having to contend.

He has not seen relief in the past to declare an interim dividend on the half-year results. Now, however, in view of the spread of the group's activities and the clearer picture of the performance of the various companies which is available at the half-year, the directors consider that they should be able to follow the more general practice.

Accordingly, they have decided to declare an interim dividend of 2.5p (£2.5m) on the 28th July 1977. The dividend is payable in cash and will be paid to holders of the Notes on the date of redemption.

INTEREST RATES FIRMER

Bank of England Minimum Lending Rate per cent. (since May 1977) 12.75

Short-term fixed-period interest rates tented to rise in rather modest way. Discount houses that this is the first week in May since the Bank of England has not sent an signal on rates to the market.

Day-to-day credit was in short supply and the authorities gave support by buying government bills. Although general opinion in the market did not point to any change in Bank of England's minimum lending rate, longer-term rates remained very firm with the one-year sterling certificate yield fixed to 9.50 per cent from 9.1-9.2 per cent. Earlier in the month the authorities were also preventing too sharp a fall in interest rates, but the recent firmer trend has meant that this is the first week in May since the Bank of England has not sent an signal on rates to the market.

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WOLFEY MARKET

Bank of England Minimum Lending Rate per cent. (since May 1977)	12.75
3-month	10.50
6-month	10.00
9-month	9.75
12-month	9.50
18-month	9.25
24-month	9.00
30-month	8.75
36-month	8.50
42-month	8.25
48-month	8.00
54-month	7.75
60-month	7.50
66-month	7.25
72-month	7.00
78-month	6.75
84-month	6.50
90-month	6.25
96-month	6.00
102-month	5.75
108-month	5.50
114-month	5.25
120-month	5.00

The Notes specified above are to be redeemed for the said Sinking Fund at the Corporate Trust Office of Marine Midland Bank, 140 Broadway, New York, New York, the office of Marine Midland Bank in London and Paris, the main office of Swiss Bank Corporation in Basel, the main office of Dresdner Bank AG in Frankfurt/Main, the main office of Kofu-Bank N.V. in Brussels, the main office of Banca Commerciale Italiana S.p.A. in Milan, and the office of Banque Paribas in Luxembourg S.A. in Luxembourg, as the Company's paying agents, and will become due and payable on July 1, 1977. On and after the Redemption Date, interest on the said Notes will cease to accrue and the coupons appertaining thereto shall be void.

The said Notes should be presented and surrendered at the office set forth in the preceding paragraph on the Redemption Date with all interest coupons maturing subsequent to the Redemption Date attached thereon. Interest coupons payable July 1, 1977, should be detached and presented for payment in the usual manner.

MARINE MIDLAND BANK, Trustee



Menachem Begin's victory: Why did it happen, What does it mean?

- Crown Prince Fahd in the US
- The Aramco fire: who planted the bombs?
- Piere Gemayyel: 1 or 2 Lebanons?

EVENTS The Newsmagazine on the Middle East From major bookstalls, hotels and retailers: PARIS - LONDON - ROME - MILAN - ATHENS Subscriptions: 67 Southampton Row, London WC1B 4ET. Tel: 637 7361

ON SALE TODAY

CIMENTS LAFARGE 7 1/2%

1972/1987 FF100,000,000

Notice is hereby given to bondholders of the above-mentioned loan that the amount redeemable on July 1, 1977, i.e. FF68,000,000 was bought in the market.

Amount outstanding: FF68,000,000 Luxembourg: May 20, 1977.

The Trustee: Fininvest S.A.

New, higher forecast by Assoc. Engineering

THE directors of Associated Engineering are hopeful of topping the January prediction of no less than £30m. in the current year ending September 30, 1977.

Mr. J. N. Ferguson, chairman, reports that first-half results are better than forecast, with pre-tax profit advancing from £9.1m. to £16.4m. on turnover 15 per cent. higher at £192.7m.

The further improvement in profits reflects the benefits of capital expenditure giving improved productivity and some small increase in overall volume with an increase in demand for petrol engine components more than offsetting a reduction in the aerospace market. The non-recurrence of terminal losses for aluminium radiator and Covrad operations in Germany, and the effect of the decline in the value of the pound in the second half of 1976, on both export margins and value of overseas profits. The small reduction in interest charges from £2m. to £1.9m. in spite of increased working capital requirements, reflects the benefit of the November 1976 rights issue.

The reduction in the rate of inflation continues to be the major priority for the U.K. economy, says Mr. Ferguson, inevitably this will require a further period of wage restraint, while permitting some restoration of differentials, and very strict control of public spending. The sacrifices which this will involve have to be supported by a major improvement in productivity; all these actions are essential if a company is to maintain, let alone

increase its position in the increasingly competitive export markets of the world.

Exports from the U.K. were £23m. in the first half and in total direct exports and sales by overseas companies amounted to 30 per cent. of total group sales.

On increased capital expenditure of £1.9m. has been transferred from other reserves to a capital redemption reserve fund and £2.2m. shown as an extraordinary item. Debentures redeemed during the period gave rise to a profit of £0.8m.

Net current assets at March 31, 1977, were £56.1m. (£57.7m.).

comment
Associated Engineering's benefit from a much better supply position for replacement parts and

Progress at Burco Dean

MANUFACTURERS of domestic and industrial appliances, kitchen furniture and holloware, die-casting and plastic mouldings, Burco Dean, reports turnover up from £9.37m. to £12.31m. for the half-year to March 31, 1977, and an advance in profits from £341,220 to £505,000 before tax of £235,000 compared with £180,782. The interim dividend is raised from 1.30p to 1.5p net per share and the directors intend to pay the maximum for the year. Last year's total was £2,200,000; pre-tax profits were £468,645.

Revenue rise for Scottish Investment

Total revenue of Scottish Investment Trust Company for the six months ended April 30, 1977 increased from £1.74m. to £2.02m.

Net revenue emerged as £1,000,000 (same) after gross interest of £132,000 against £110,000 and tax of £5,730, compared with £964m. of £1,000,000 in the same period.

The directors say that all the figures for the six months to April 30, 1977 have been adjusted to reflect the merger with Second Scottish Investment Trust Company on November 1, 1976.

The net interim dividend for 1977 is raised to 0.5p (0.75p) per 2.5p share. Total for 1977-78 was 2.03p.

The amount available is £1,020,000 (£1,037m.).

Net asset value per share is shown as 118.9p (102.2p).

Morland rise

Pre-tax profit for brewers, wine and spirit merchants, Morland and Co., advanced from £302,474 to £385,825 for the half-year ended March 31, 1977.

The directors state that given a reasonably even summer, profits for the full year should be comparable with 1975-76 peak of £702,400.

To reduce disparity the net interim dividend per £1 share is increased to 3p (2.5p). Total for last year was 11.147p.

American Direct Tea Trading Company and Kanan Devan Hills Produce Company (jointly owned in equal shares with James Finlay and Co.).

Tata-Finlay also acquired from the same date the assets and undertakings in India of James Finlay and Co. and its subsidiaries operating in that country together with the 50 per cent. interest of James Finlay in Kanan Devan Hills.

The estimated profits figure of associates includes an estimate of the group's share of the profits of Tata-Finlay and of the tax payable thereon for 1976. The figures for 1975-76 did not include any contribution from the companies the undertakings of which have now been sold to Tata-Finlay, apart from small amounts of dividends received through other investment holdings, since the companies concerned only became subsidiaries on March 31, 1976.

The proceeds of the sales are estimated at the equivalent of some £3.9m., satisfied as to £754,000 by the issue of fully-paid equity shares in Tata-Finlay with the balance of £3.1m. payable in cash which is due to be remitted from India at various dates within a period of five years from the date of allotment.

A cash offer was made in October 1976 for the 24.90 per cent. of the capital of Makum (Assam) Tea Company not already held. This was successful and the company is now a wholly-owned subsidiary.

Another recent impost has been an increase in the rate of agricultural income-tax payable on profits earned in the State of Assam, which is now 70 per cent. as against the 62 per cent. previously obtaining. The increased rate applies to the past year's profits and account has been taken of it in the estimate.

The group companies sold with effect from January 1, 1976, to Tata-Finlay, a company incorporated in India, the undertakings of Consolidated Tea and Lands Company (India), Anglo-

McLeod Russel estimates £5.69m.—to pay 10p.

IN THEIR interim statement the directors of McLeod Russel estimate pre-tax profits of £5.69m. for the year to March 31, 1977, compared with £2.4m. for 1976 and say they intend to pay a dividend of 10p net (6.45pp) per £1 Ordinary and Preferred Ordinary share.

A high proportion of turnover and profits derives from companies engaged in the growth, manufacture and sale of tea in India. The industry is seasonal and results can only be accounted for satisfactorily on an annual crop basis. It is not therefore practicable to produce meaningful half-yearly figures.

However, since the bulk of the 1976 tea crops has been sold and since an apparent wide shortage of tea with consequential effects on prices has for practical purposes eliminated the risks of over-estimation, the directors say it is possible to estimate profits for the year.

	1976-77	1976-78
Trading profits	£5.69m.	£2.4m.
Share associates	1.115	2.4
Profits before tax	2.570	6.4
U.K. tax	350	750
Indian tax	2.438	1.225
Assoc. U.K. tax credit	115	115
Assoc. Indian tax credit	1.532	1.532
Minority	1.280	771
Net profits	£1.000	£3.277

The Treasury has informed the company that it falls within the intended scope of the announcement with regard to U.K. companies mainly engaged in operations outside the U.K. and is accordingly not subject to current

regulations on dividend controls. As the intended level of dividend will be in excess of 8.47p per share the Preferred Ordinary share will, on payment, become Ordinary shares.

After £91,000 (£44,000) for Preference dividends but before adjusting for the finalisation of the sales of assets by joint interests in India, or other extraordinary items, the earnings per Preferred Ordinary and Ordinary share are estimated at 35.23p (34.99p).

Due to the high proportion of teas already sold before the substantial rise in tea prices earlier this year the figures, in not, except to a minor extent, reflect profitability based on current prices and working costs.

The latter have continued to increase but it is too early to determine the overall effect of the substantial export duty now levied by the Government of India.

Another recent impost has been an increase in the rate of agricultural income-tax payable on profits earned in the State of Assam, which is now 70 per cent. as against the 62 per cent. previously obtaining. The increased rate applies to the past year's profits and account has been taken of it in the estimate.

The group companies sold with effect from January 1, 1976, to Tata-Finlay, a company incorporated in India, the undertakings of Consolidated Tea and Lands Company (India), Anglo-

As a result of the continuing satisfactory flow of remittances from India and the strengthening of the group's financial position on the acquisition of various companies in terms of the offer of February 11, 1976, to the stockholders of Consolidated Tea and Lands and Cessnock Holdings, material amounts are now becoming available for investment outside India.

Some part of such funds has been invested in the shares of a number of listed companies, the income from which will be accounted for on a receipts basis and is therefore not fully reflected in the profit estimate.

In addition, the company has during the past few months deployed a significant sum out of these funds in a property trading transaction. No income arose from this transaction in 1976-77 but a profitable outcome is expected to be reflected in the accounts for 1977-78.

LONRHO

Half-Yearly Results

The unaudited results of the Lonrho Group of Companies in respect of the six months ended 31 March 1977 are as follows:—

Year to 30 Sept 1976	6 months to 31 March 1977	6 months to 31 March 1976	Percentage increase
£m	£m	£m	%
1,005.50	554.0	431.8	
77.92	21.2	45.2	
1,083.42	575.2	477.0	20.6
86.28	37.6	29.9	
7.09	1.4	3.3	
93.37	39.0	33.2	17.5
45.95	21.1	18.1	
47.42	17.9	15.1	
13.70	3.9	4.3	
33.72	14.0	10.8	29.6

Lonrho Limited, 138 Cheapside, London EC2V 6BL. 26 May 1977

Another record year for Sparrows £1,312,000 pre-tax profits

Extract from statement by Mr. A.W. Sparrow, Group Chairman.

Financial Highlights	1976	Increase over 1975
Sales	£8,551,000	£1,346,000 19%
Profit—Pre-Tax	£1,312,000	£247,000 23%
Earnings per Share (After a Full Tax Charge)	29.1p	5.3p 25%
Dividends per Share	4.82p	0.43p 10%
Net Assets per Share (Before deducting Taxation on Equalisation Account)	271.7p	51.9p 23%

- Basic earnings per share 50p because no tax payable on profits due to availability of capital allowances.
- New depots in Ompington and Aberdeen producing good results.
- Five contract initially worth £1.6m secured in Saudi Arabia. As work only started last November, no income or profits have been brought into 1976 figures, though long term presence in the Gulf area is anticipated.
- Over £2m spent on new cranes for U.K. depots.
- Excellent fleet of cranes acquired in Houston, Texas. Prospects of growth in our overseas business greatly increased.
- Share issue of 3 new Ordinary Shares for every 2 currently held to be recommended. It is proposed to implement this by an increase in Authorised Share Capital from £0.75m to £1.25m.

SPARROWS
Sparrows International Lifting Specialists
Lower Bristol Rd. Bath, BA2 9ET.
Tel: 0225 21201 Telex 449246

Brent Chemicals International

Worldwide Speciality Chemicals and Systems

Rapid Expansion Maintained

Year ended 31st December	1976	1975	1974	1973	1972	1971	1970
Sales	£13,801	£9,807	£6,641	£3,720	£2,167	£1,403	£1,172
Profits before tax	1,586	1,082	702	384	241	155	53
Earnings per share	12.1p	8.7p	5.5p	3.2p	2.5p	2.0p	0.6p

I am pleased to be able to report satisfactory progress in 1977. In the first four months Group sales and profits, which have benefited from the inclusion of Savilles Hydrological Corporation, are well ahead of last year and in line with plans — J S M Jones, Chairman.
If rate of Advance Corporation Tax is reduced as envisaged in the Budget an additional net dividend of 0.048p will be paid together with the 1977 interim dividend.
Copies of the report and accounts may be obtained from The Secretary, Brent Chemicals International Limited, Ridgeway, Iver, Bucks SL0 9JJ.



We're a big name in world transport.

It's time you got to know us a little better.

Our name is the Nedlloyd Group. A name that probably conjures up the sea and the world of shipping. The assumption would in fact be quite right, but there's something else you ought to know. Shipping has been, and still is, the backbone of our operation. But we no longer deal with just shipping alone.

A tightly-knit combination. Today, in 1977, the Nedlloyd Group (which used to be known as the Netherlands Shipping Union Group of Companies) is a tightly-knit combination of shipping lines, stevedoring companies, forwarding companies and transport, airfreight, offshore drilling and industrial service businesses. Altogether there are around a hundred companies, employing some 17,000 people all round the world. It's a dynamic organization, growing all the time. Between 1970 and 1976, turnover rose from Dfl. 1,460 million to Dfl. 2,390 million. Over these seven years, investment totalled Dfl. 2725 million - and Dfl. 1870 million of this came from the Group's own cash flow. (One Dutch guildler is about U.S. dollar 0.40)

Balanced structure. Our success is very largely due to the careful and patient building of a well-balanced, integrated group of complementary companies. A ship, or an aircraft, or an articulated truck all fit in equally well with the broad outlines of our corporate philosophy. This makes it possible to offer such a comprehensive package of services.

Nedlloyd Group

This is to be used to book the Nedlloyd Group shipping and forwarding services. Write to the Nedlloyd Group, P.O. Box 121, 1000 AA Amsterdam, The Netherlands.

Name: _____
Company: _____
Address: _____
City: _____
Country: _____

Handwritten number: 10001550



First three months' results

The Board of Directors of Imperial Chemical Industries Limited announce the following unaudited figures of the trading results of the Group for the first quarter of 1977 with comparative figures for 1976.

1976	1977		1977
First Quarter	Year	First Quarter	First Quarter
£ millions	£ millions	£ millions	£ millions
936	4,135	SALES TO EXTERNAL CUSTOMERS	1,190
128	540	PROFIT BEFORE TAXATION AND GRANTS After:	141
-45	-205	Providing for depreciation	-54
13	58	Exchange gain/deficit on net current assets	-7
-33	-214	Taxation less grant	-85
85	326	PROFIT AFTER TAXATION AND GRANTS	76
-	-47	Extraordinary items	-
85	279	Applicable to minorities	76
-7	-34		-6
		PROFIT AFTER TAXATION AND GRANTS APPLICABLE TO IMPERIAL CHEMICAL INDUSTRIES LIMITED	70

Group sales in the first quarter of 1977 were £1,190m, some 27% higher than in the corresponding quarter last year. Sales in the U.K. increased from £379m to £480m (up 27%) and those Overseas from £557m to £710m (up 27%). The volume of exports for the quarter was £255m, compared with £190m in the first quarter of 1976 (up 34%).

The recovery in the overall volume of sales continued during the first quarter of 1977, the improvement being most marked in the United Kingdom, Continental Western Europe and North America.

The following table summarises the quarterly sales and profits before taxation:

	Group profit before tax			TOTAL
	Group sales	Excluding exchange gain/deficit	Exchange gain/deficit	
	£m	£m	£m	£m
1976				
1st Quarter	836	115	13	128
2nd Quarter	1,024	158	25	151
3rd Quarter	1,033	116	33	149
4th Quarter	1,142	125	-13	112
YEAR	4,135	482	58	540
1977				
1st Quarter	1,190	148	-7	141

If adjustments were made, on a Current Cost Accounting basis, for additional depreciation and the replacement cost of stock, as described in the 1976 Annual Report, profit before taxation for the first quarter would be reduced by about £60m.

The charge for taxation for the first quarter of 1977 consisted of £53m of U.K. corporation tax, £13m Overseas tax and £4m of tax on principal associated companies less credits of £5m for U.K. Government grants.

The trading results for the first half of 1977 will be announced on 1 September 1977.

Peak £1.67m. by Matthew Brown Pritchard up 28% midway

Announcing a 15 per cent. increase in pre-tax profit to a record £1.67m. for the 13 months to January 2, 1977, Mr. Peter Pritchard, chairman of Pritchard Services Group, says the current year has started on an encouraging note.

Trading profit after interest for the first quarter of 1977 was 27 per cent. ahead of the comparable period in 1976, he reports.

He also announces that Pritchard's Canadian industrial catering subsidiary, J. A. Hubert, has been awarded a contract worth £5m. a year to cater for 2,700 workers building a power station at James Bay, 900 miles north west of Montreal.

Group turnover in 1976 advanced by 19 per cent. to £43.5m. Net profit increased from £891,000 to £773,000 after tax up from £710,000 to £885,000—minorities were down from £46,000 to £11,000.

Stated earnings per share rose from 3.22p to 3.60p and a second interim dividend of 0.8527p steps up the net total from 1.2683p to 1.3302p, as forecast, the maximum allowed. Subject to legislation, the directors propose that a final dividend be paid at the rate of 0.01576p a share for every one per cent reduction in the current 95 per cent rate of income tax.

Referring to the new Canadian contract, he says it is based on a management service fee. Pritchard will not be responsible for cost inflation of food, labour or equipment.

Pritchard's associate organisation in Egypt has achieved some notable successes, including a letter of intent for the building cleaning services at Cairo airport.

Two other airport contracts have also been won by group companies. Pritchard's subsidiary in France, Groupe Services Industrie, is cleaning the country's largest airport—the Charles de Gaulle, outside Paris. This contract is worth £3m. to £4m. a year.

Acme Industrial Cleaners, Pritchard's U.K. airport cleaning company, has been awarded the Edinburgh airport contract and the group's Irish company has had the Shannon airport contract renewed, the chairman says.

Progress has been made both on the commissioning and construction phases of the £140m. five-year contract won earlier this year for the public cleansing of the Saudi Arabian capital, Riyadh. This project, a joint venture between Pritchard and Waste Management Inc. of London, will make a contribution to group p.a. during the current year, Mr. Pritchard says.

After the 26 per cent. increase in interim profits from Pritchard the market is unlikely to get excited by a 7 per cent. second half advance. Canada has been a problem on two counts but the future looks brighter. Industrial and camp catering went into reverse by £108,000 due to a closure and subsequent equipment write-offs, while a drop of a third in security profits is wholly down to

Canada. Still security contracting work in Canada is picking-up and in the U.K. security is now around break even after £1m. of costs over the past three years. First quarter profits are ahead by 27 per cent. and this trend will accelerate with the inflow from the Saudi Riyadh contract towards the end of the year and the new James Bay contract worth some £100,000 on an annual basis. So overseas is set for recovery after the 1976 15 per cent. profits setback and the group is heading for over £21m. pre-tax this year. Cash flow is strong with advance payments working through on the Riyadh contract and the debt to equity ratio is forecast to fall from 2.1:1 to 1.1:1 this year. If this is the case then the shares are in for a better run given the 8 1/2 per cent. yield (covered 1.7 times) and p/e of 6.7 at 25p.

£0.73m. fall at Chapman (Balham)

PRE-TAX PROFIT of Chapman and Co. (Balham) in the second half to March 26, 1977, slipped from £432,233 to £207,262, to give the group £37,000 for the full year compared with £1.1m. The directors' vote at balance that Matthew Brown's corporate policies have materially assisted overall profits, as also have planning increases in the volume of beer sold in both Chumbrin and Lancashire. Now, with the new Workington plant complete and additional facilities for brewing the championship-winning Slalom Lager at Blackburn the company

SHARE DISCLOSURES

City and Commercial Investment Trust: London and Manchester Assurance Company together with its subsidiaries Welfare Insurance Company purchased a further 130,000 income shares and now own 1,488,195 (8.3 per cent.) income shares.

Tricentrol: H. Orr-Ewing, a director, has beneficially purchased 3,000 Ordinary shares.

City of Oxford Investment Trust—Mr. F. C. Carr, a director, has sold his beneficial holding of 1,000 Ordinary shares and acquired a non-beneficial holding of 1,000 shares.

Heworth Ceramic Holdings: Beneficial holding of Mr. D. R. Simpson increased by 750 Ordinary and non-beneficial interest increased by 64,941 Ordinary all at issue price of 47p per share in current rights issue. Non-beneficial interest of Mr. J. E. Both increased by 58,379 Ordinary which are also included in above increase in non-beneficial interest of Mr. Simpson.

Hardy and Co. (Furnishers): The individual interested in the 37,800 shares referred to in J. K. D. Roberts (trustee) and not E. M. Datnow (trustee) as previously stated.

C. and W. Walker Holdings: Mrs. D. J. L. Fitzwilliams, wife of a director, owns 4,000 Ordinary shares for a nominee name.

Troub Mines Ayr/Hillaz Tin Dressing—Shafford Holdings ceased to hold an interest on November 1, 1976. Charter Consolidated also ceased to have an interest on same date.

Gieves Group—Scottish Amicable Life Assurance Society has acquired a further 29,889 Ordinary, bringing its total holding to 207,083 shares (5.3 per cent.). Following directors have taken up full allotment of rights issue: M. E. A. Keeling, 14,921 Ordinary; A. G. Allen, 53 Ordinary; E. T. R. Seruhy has taken up 1,868 and renounced 13,333 of allotted 14,899 shares.

FIRST HALF trading profit of brewers, Matthew Brown and Co., improved by 16.5 per cent. to £1.42m. and after significantly increased depreciation charges, and a substantial fall in interest charges resulting from last year's successful rights issue, pre-tax profit rose by 25.5 per cent. to £1.8m.

The net interim dividend is stepped up from 0.51p to 1p per 35p share on increased capital. Dividend total for the 53 weeks to October 2, 1976 was equivalent to 3.31p and profits a record £2.57m.

The rise in turnover has been mostly occasioned by the necessary price recoupment of escalating costs, although the company deliberately held back its first 1977 price increases (other than those occasioned by the December budget) until the end of April. However, the turnover for January, when reduced by the £230,000 coming from Workington's Scottish operations disposed of in July, 1976, indicates that on a comparable basis the increase was almost 18 per cent.

The continuing processes of integrating Workington into Matthew Brown's corporate policies have materially assisted overall profits, as also have planning increases in the volume of beer sold in both Chumbrin and Lancashire. Now, with the new Workington plant complete and additional facilities for brewing the championship-winning Slalom Lager at Blackburn the company

Bodycote seeking expansion

DESPITE THE FAILURE of many acquisition proposals during the past year to satisfy the directors' stringent investment criteria, new areas are actively being considered as natural extensions to the Bodycote International's business, says Mr. J. C. Dwek, the chairman.

As reported on April 27, group pre-tax profit rose from £1.71m. to a record £1.74m. for 1976. The net dividend total is lifted from 2.22p as adjusted for the one-for-two scrip issue and consolidation of shares to 2.43p a share.

Over the past three years group earnings has been reduced from 11.4 per cent. to 4.5 per cent. of shareholders' funds, Mr. Dwek says.

A further £15.5m. is being repaid Citibank this June, and the loan agreement with Citibank is due to expire in 1978. Amsterdam has been restructured so that the £15.5m. outstanding will be repaid in instalments up to 1982, he adds.

Despite the strain of financing increased turnover and raw material costs, liquidity remains satisfactory, members are told. Bank balances and cash fell by £1.4m. last year, against a rise of £1.4m.

Another £280,000 is to be spent this year on new plant and equipment in the textile processing division.

BANQUE FRANCAISE DU COMMERCE EXTERIEUR

The Annual General Meeting of Shareholders, presided over by Mr. Jean Cottier, assisted by Mr. Georges Assenard, Honorary Chairman, took place on April 20, 1977, with a view to approving the accounts for the 1976 accounting period.

The balance sheet total, after depreciation and provisions set aside, is up by 27% and reaches 79.4 billion.

—the "credits via signature for mobilization" (endorsements, acceptances, etc.) utilized almost totally for the financing of exports have increased overall by 10.5 billion, showing a progression of 16.5% for pre-financings and the mobilization of short term claims on foreign buyers and 43.1% for medium term export operations.

—under the heading "financing of the long term fractions of buyers and suppliers export credits", the outstanding amount of utilizations comes to 7.4 billion, i.e. an increase of more than 25%. As for the previous year, the resources collected for this purpose were, in the main, obtained on the international market with quotations for the principal operations in New York, Luxembourg, Düsseldorf or Frankfurt.

—as regards the other headings of the balance-sheet, it will be noted that on the "Liabilities" side, the clientele creditors have gone up by more than 1 billion (i.e. an increase of 37.3% and that the banking creditors are up by 1.2 billion which, taking into account a debenture loan with floating rate issued in October for \$25 million, brings the total amount of resources to more than 12 billion. As regards the "Assets" side its evolution has been featured by preferential utilization of amounts re-employed which are not subject to the credit squeeze and help to shore up the development of French exports.

After making various "provisions", (of which 49 million for Corporation Tax, 4.6 million for staff shares and 2.6 million in respect of exceptional contributions required from companies by the budget adjustment measures and after an appropriation of 34.8 million for "depreciation" which allows the heading "Premises, Equipment and Furnishings" to be maintained at the taken sum of F. 1, the net Profit works out at F.37,280,004 as against 34.1 million to the previous year.

The distribution of this profit includes an appropriation of 14.7 million to Reserves and a distribution of 8.7 million in dividends, i.e. 7.5% (Tax Credit over and above) as for the previous year (but calculated over a complete year of the capital previously paid up and over 7 months for the balance called up in June 1976).

THOMAS MARSHALL & CO. (LOXLEY) LTD.

(Manufacturers of Carbon and Fireclay Refractories and Heat Insulating Materials)

The Annual General Meeting was held on May 24 in Sheffield, Mr. W. T. Hale, B.Sc. (the Chairman), presiding. The following are extracts from his circulated statement.

The 1976 profit amounted to £243,000 compared with £231,000 in 1975, an increase of 13%. Turnover increased by 23% to £138 million. Across the Group the volume of exports remained steady at 56.8 million.

The Board recommends a payment of the maximum permitted final dividend of 1.227p per share, making 2.227p for the year, compared with 2.025p in 1975.

Carlton Limited increased turnover by 50%. The current order book for carbon shapes is the highest ever and a major contribution to profit in 1977 should be assured.

Hoyland (Marshall) Limited is making steady progress in the manufacture and sale of ramming and castables and makes a significant contribution to Group profit.

Marshall Refractories Limited. The upturn in demand from the British Steel industry in 1976 allowed the company to expand its sales by 12%. However, this activity has not been carried forward into 1977 and demand has fallen away. Even though exports generally are becoming more difficult due to a world wide steel recession, we are hopeful that exports of our newer products will see us through this difficult period.

M.I.A. (Sheffield) Limited had a disappointing year in the order book is now much improved.

Moler Products Limited which now trades under the name of MPK Insulation Limited continues to be a major contributor to turnover and profit. The future trading situation is good.

For the fifth year in succession we should see a further increase in profit. This year over 90% of Group product will be exported and our plans for development are very large based on further penetration of export markets.

MOULINEX

The Annual General Meeting of Shareholders held on May 1977 under the Chairmanship of Mr. Jacques P. Vieux, Chairman of the Supervisory Board, approved the results of accounts for the 1976 financial year presented by the Management Committee presided over by Mr. Jean Mantelet.

Net profits for the 1976 financial year amounted to Frs. 50,613,016 after allowing for:

—depreciation	Fr. 89,274
—provision for doubtful debts	Fr. 278
—investment provision based on staff participation on the 1976 results	Fr. 23,000
—provision for price increases	Fr. 1,200
—share assumed by the Company in the shares subscribed to by the staff	Fr. 1,976
—exceptional drought tax	Fr. 1,598
—other profits and losses	Fr. 715
—tax on profits	Fr. 62,323
—legal and complementary staff participation on the 1976 results	Fr. 4,577

It was decided to distribute the same dividend as the previous year, i.e. Frs. 200 for every Frs. 10,000 share, supplementing the tax credit thus giving an overall revenue of Frs. 300. dividend will be paid on a capital increased by Frs. 14,381 compared with the 1975 capital. It will be payable as of June 15, 1977 against coupon no. 5.

The 1976 investment programme was carried out as planned. Investments for 1976 totalled Frs. 118 million as against Frs. 94 million in 1975. Efforts were continued to increase production means and investments for the year 1977 forecast at Frs. 120 million.

Finally, the report of the Management Committee, in agreement with the Supervisory Board, confirmed that a new increase by appropriation from the reserves, will take place in the near future, with the distribution of one new share for every ten old shares held, bearing effect as of January 1, 1977.

PHOENIX ASSURANCE COMPANY LIMITED

Interim Statement

ESTIMATED RESULTS TO 31st MARCH 1977

The following are the estimated and unaudited results of the Phoenix group of companies for the three months ended 31st March 1977 with the comparative figures for the corresponding period in 1976 and actual results for the full year 1976. It is again emphasised that interim figures cannot be taken as a reliable guide to results for the full year.

	3 months to 31.3.77	3 months to 31.3.76	Year 1976
	£m	£m	£m
Net premiums written:			
Fire, accident, marine and aviation	87.4	73.1	323.4
Investment income	8.7	6.5	32.2
Underwriting profit:			
Fire, accident, marine and aviation	-1.9	-2.0	-9.4
Long-term	0.4	0.4	1.8
	7.2	4.9	24.6
Less expenses not charged to other accounts	0.3	0.2	0.1
Profit before taxation	6.9	4.7	24.5
Less: Taxation	2.7	1.8	9.6
Minority interests	0.4	0.6	2.3
Net profit	3.8	2.3	12.6
Earnings per share	6.4p	4.0p	21.5p

Note: Overseas currency transactions have been converted at rates of exchange appropriate to the periods in question. In converting US dollar transactions for the 3 months to 31st March 1977 a rate of \$1.72 has been used (\$1.91 for the 3 months to 31st March 1976 and \$1.70 for the year 1976).

GENERAL BUSINESS

The improvement in the United States and Canadian results has been maintained but the benefit has been offset by losses in the United Kingdom and Europe.

In the United Kingdom the property classes remained profitable despite the notification of further subsidence losses. There was a sharp increase in motor claims due to adverse weather conditions. A cautious view is being taken of the continuing effect of inflation on reserves for the liability classes.

The general overseas territories show some improvement over the corresponding period of 1976.

NEW LONG-TERM BUSINESS

	3 months to 31.3.77	3 months to 31.3.76	Year 1976
	£m	£m	£m
New sums assured	235	263	1,194
New annuities	2.8	0.9	13.1
New annual premiums	2.3	2.0	11.6
New single premiums	1.1	0.8	3.9

Note: The business of Property Growth Assurance Company Limited, which became a subsidiary with effect from 1st April 1977, forms no part of the above figures.

Bass Charrington LIMITED

INTERIM STATEMENT

For 28 weeks ended 9th April, 1977

	28 weeks to 9 April 1977	28 weeks to 10 April 1976
	£ million	£ million
Sales to Customers	468.7	402.4
Balance on trading	40.4	34.5
Cost of borrowing	4.9	6.3
Earnings before taxation	35.5	28.2
Taxation thereon	18.5	14.7
Earnings after taxation	17.0	13.5
Preference dividends	0.2	0.2
Earnings for Ordinary shareholders	16.8	13.3
Interim ordinary dividend of 1.631533p per share (1.483212p)	4.5	4.1

Notes

- Sales to customers increased by 16.5% compared with the same period last year. Beer volumes remain steady and there has been an increase in the volume of wines and spirits sold. The increase in sales also reflects higher prices to recover part of the rise in costs experienced during the period together with additional excise duty of approximately £27m.
- Depreciation charged in arriving at balance on trading is £11.2m (£9.4m).
- Taxation is based on the rate of 52 per cent (same).
- An interim dividend of 1.631533p per share (1.483212p) on the Ordinary shares will be paid on 18th July, 1977.
- The above figures have not been audited.

APPOINTMENTS

Marquess of Tavistock heads Cedar Investment Trust

The Marquess of Tavistock has been elected chairman of CEDAR INVESTMENT TRUST... HOME OFFICE, to be a deputy under secretary of state in charge of the Criminal Policy, Criminal Justice and Probation and After-Care Departments... Mr. Samuel M. D. Gibson has been elected president of the ELECTRICAL CONTRACTORS ASSOCIATION OF SCOTLAND... Mr. Eric V. Tipper, chief executive of the INSTITUTE OF THE MOTOR INDUSTRY, is to retire at the end of this year.

British Aerospace-BAC

BRITISH AEROSPACE, the nationalised corporation, starts that in the longer term it plans to form an organisational structure with two groups, aircraft and weapons... Mr. C. R. Jefferson, chairman and chief executive, and Dr. G. H. Hoyle, deputy chief executive... Mr. J. L. Thorne, deputy managing director, HSA, and Mr. J. P. Smith, chief engineer, BSA, will attend Board meetings as required.

ENTERTAINMENT GUIDE

Opera & Ballet: Royal Opera House, Covent Garden... Theatres: National Theatre, Old Vic, Lyric Theatre... Cinemas: Picture Palace, Picture House... Clubs: The Green Room, The Club... Art Galleries: The Old Vic, The Club... Public Notices: Various notices and advertisements.

APPOINTMENTS

COMMUNITY APPOINTMENTS LTD. (Public Relations) - Director: Mr. J. L. Thorne... COMMUNITY APPOINTMENTS LTD. (Public Relations) - Director: Mr. J. L. Thorne...

APPOINTMENTS WANTED

ENGLISHMAN (29) ECONOMICS DEGREE SOHO UNIVERSITY... fluent German and English, some French... fluent knowledge of Europe possibly in Sales Promotion or Personnel Department... James M. Pasali, Im Tausendachtundzweiundzwanzig 51, Weymouth Street, London W1.

COMPANY NOTICES

VIENING RESOURCES INTERNATIONAL NV. Curaçao, Netherlands Antilles... ANNUAL GENERAL MEETING... NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Shareholders of the Company will be held at the offices of the Company, Curaçao, on 19th June 1977, at 10.00 a.m.

INTERNATIONAL APPOINTMENTS

Schlüsselfertige Industrieanlagen für die technisch perfekte Fertigung hochwertiger Gebrauchsgüter erstellen wir in vielen Ländern. Wir suchen den... Einem Unternehmer, der sein Können bereits in einer vergleichbaren Aufgabe unter Beweis gestellt hat...

General Manager

der in der Lage ist, ein Grossprojekt mit mehreren hundert Millionen DM Auftragsvolumen von der Planungsphase bis zum einwandfreien Lauf der Produktion zu führen... Wir sind eine grosse deutsche Industrie-gruppe. Wer unsere hohen Erwartungen erfüllt, wird entsprechend dotiert werden.

DR. WITT UNTERNEHMENSBERATUNG 4 DÜSSELDORF 30 · POSTFACH 32 12 32 EMMERICHER STR. 28

LEGAL NOTICES

FBI INSURANCES LIMITED (Incorporated in the Republic of Trinidad and Tobago) THE REDUCTION OF CAPITAL... NOTICE IS HEREBY GIVEN that the Board of Directors of the Company has resolved to reduce the authorized share capital of the Company from £1,000,000 to £500,000.

COMPANY NOTICES

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court... NOTICE OF RATE OF INTEREST... U.S. \$75,000,000 Guaranteed Floating Rate Notes 1983... Lloyds Eurofinance N.V. (Incorporated with limited liability in the Netherlands)

CONTRACTS AND TENDERS

GOVERNMENT OF JAMAICA TENDER FOR STATION WAGONS... The Supply Division of the Government of Jamaica proposes to purchase the following equipment in connection with a second population project.

GOVERNMENT OF JAMAICA TENDER FOR PRINTING EQUIPMENT

The Supply Division of the Government of Jamaica proposes to purchase the following equipment in connection with a second population project. Payment for this purchase will be made from the proceeds of a loan being provided by the International Bank for Reconstruction and Development.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

VFW-Fokker loss of DM5m.

By Adrian Dick
DUSSELDORF, May 26.

VEREINIGTE FLUGTECHNISCHE WERKE—Fokker, the West German-Dutch aerospace group, reported to-day a DM5m. loss in 1976, and warned of the inevitability of short-time working as a result of the continuing depression in civil aircraft markets. But the chairman, Mr. Gerrit Klapwijk, insisted that there could be "no talk of catastrophe," and once again firmly rejected suggestions that the eight-year-old merger—the first across European national frontiers in the aerospace industry—might have to be dissolved.

Mr. Alan Bailey, the director in charge of sales, said that VFW-Fokker hoped to sell at least 50 airliners in 1977, and expressed confidence that the market would improve compared to last year. This sales target would include 23 of the F27 Friendship, 16 of the F28 Fellowship and nine of the VFW 614.

Negotiations for further VFW 614 sales are under way with at least two airlines in the U.S., Mr. Bailey said, as well as in several other parts of the world. Two French regional airlines, the Danish company Cimber and the West German air forces have been the buyers of the 16 aircraft so far sold, though two more have now been firmly ordered by a customer yet to be identified.

VFW-Fokker is expected to sign during the course of June final agreements with Romania for a complex deal which will lead to a second VFW 614 production line being set up there and to eventual sales of as many as 100 of the 40-44 seater twin jet airliners. In the first phase of the co-operation agreement, VFW-Fokker will deliver assembled planes and parts totalling 19 aircraft. Later, Romania will acquire complete airframe licences and will build the VFW 614 itself with a view to reaching export markets in Eastern Europe which are closed to the German-Dutch group itself.

Mr. Klapwijk said that about 1,000 workers were now on short time in the Netherlands and slightly more in the West German factories, owing to uncertainties in both the VFW 614 programme and that of the European Airbus. Although total sales rose in 1976 from DM11,590m. to DM11,760m. there was a sharp drop in the workload on the military side.

DAIMLER-BENZ

Sales rise of 10% likely this year

BY GUY HAWTIN

WHILE MOST West German motor manufacturers are still clawing their way back to 1973 vintage production levels, demand for Daimler-Benz's products still far outstrips supply. Customers have to wait six months for cars at the upper end of the Mercedes range, while at the lower end delivery takes about two years.

In the first four months of 1977, the West German motor industry's production stood some 1 per cent under that of 1976. In contrast, Daimler-Benz to-day made public that its motor-car output topped the 1976 figure by about 18 per cent. Undoubtedly production levels would be even higher were extra capacity available.

Turnover in the first four months of the current year totalled DM6,970m. (£1,720m.)—some 9 per cent up on the same period of last year. By the end of the year the concern's management expects to see sales up by about 10 per cent.

Professor Joachim Zahn, the Daimler-Benz chief executive, pointed that not everything in the garden is absolutely rosy. Costs this year are expected to rise by over DM500m., but quite independently of any federal carrel office initiative, Daimler-Benz's domestic division plans to

hold price increases within a 3.9 per cent boundary, he said. Naturally, this will mean that operating profits will come under pressure and could well be somewhat lower than in 1976. However, Professor Zahn added, reassuringly, that the group's net earnings were not likely to be greatly different from last year's levels.

Last year net profits increased by 26.5 per cent, rising from DM310m. to DM392m. (£96.6m.). The group's management is proposing a 19 per cent dividend—against 17 per cent for 1976 and 15 per cent for 1974. Some DM167m., against the previous year's DM108m., is being allocated to reserves.

Group turnover in 1976 was up 11 per cent, from DM21bn. to DM23.5bn. (£5,780m.), while sales of the domestic grouping—Daimler-Benz AG and Hanomag-Henschel Fahrzeugwerke—rose by 13 per cent from DM17,140m. to DM19,350m. Exports went up by 12 per cent to DM9,200m., with deliveries to customers in the European Community up by 54 per cent to DM2,300m.

Production in 1976 lagged behind turnover. Car output was up 5.8 per cent, to 370,345 units and this year is expected to top the 400,000 mark. In the first four months of the year production rose 11 per cent, to 153,624

units, with output at the upper end of the range ahead by 18.5 per cent. Trucks were somewhat slower in the commercial vehicles sector. Last year total commercial vehicle output rose by 8 per cent, or so from 229,302 units to 247,756 units. Domestic output was up 7.3 per cent, to 133,234 units, while overseas production increased by 10.7 per cent, to 114,522 units. In the first four months of the current year domestic output fell back by 1.1 per cent to 64,367 units, while overseas production moved ahead by 6.4 per cent to 18,471. DM167m., against the previous year's DM108m., is being allocated to reserves.

Although it is hard to draw conclusions from just four months' figures, Professor Zahn pointed out that competition is increasing both at home and abroad. The group has instituted a five-year investment plan which envisages the investment of some DM6bn. between 1977 and 1981. The main investment target is the motor car sector and by 1981 it is expected that car production will be between 450,000 units and 450,000 units. Whether this will do much to trim a waiting list which averages between 20,000 and 30,000 units remains to be seen.

In this context the group's shareholders can hardly welcome the fact that over 20 per cent of domestic car sales of

FRANKFURT, May 26.

are to Daimler-Benz employees, although when exports are taken into account this level falls to about 10 per cent of total sales. However, this does not alter the fact that these sales are at advantageous terms and that, for many employees, they provide a lucrative perkquisite. Originally, an employee who purchased a car had to hold it for at least a year, and this has been increased to 18 months. However, for the employee waiting time for delivery remains 18 months.

In comparison to Daimler-Benz's figures, a report released by the Verband der Automobilindustrie (VDA), the West German Motor Industry Association, shows that the federal republic's motor vehicle production rose by an overall 9 per cent. In the first four months of the year, altogether, a total of 1,470m. units were produced, against just over 1,340m. in the opening four months of 1976. Motor-car production rose by 10 per cent, from 1,240m. units to 1,343,333 while the production growth in the commercial vehicle sector grew by only 5 per cent.

It is also announced that Daimler-Benz is to acquire the Euclid Inc. subsidiary and associated international operations of the White Motor Corporation

Currency Board barred from aiding UAE banks

BY RICHARD JOHNS

ABU DHABI, May 26.

THE UNITED Arab Emirates Government is refusing to allow the Currency Board to use its initiative to provide emergency assistance to banks which may be in trouble here.

The dispute over the Government's order is now very much at the heart of the crisis, according to informed banking sources. The view of the Currency Board and Mr. Ronald Scott, managing director, is said to be that they have a duty to protect banks previously licensed by them which, though basically sound, may be suffering temporary difficulties because of the recession in the construction industry.

To-day, however, the Currency Board refused to comment. A senior official said, "The situation is too delicate to talk about. To do so would only serve to increase tension."

Banks, meanwhile, are fighting for a reversal of the decision which the International Monetary Fund team currently drawing up a report is also likely to recommend.

According to informed observers there has been a sustained

campaign within the Royal Court by influential Egyptian elements to oust Mr. Scott who on Monday reaffirmed his resignation originally made six to seven weeks ago. Even so he evidently intends to stay at his post until stability is restored.

As the IMF mission completes its report a further confusion has been created by the impending arrival of two Bank of England experts who are scheduled to fly in here to-day. They are coming at the invitation of the Government and not the currency board.

Banks here are worried that the Currency Board is dedicating the role of being a lender of last resort to which, they feel, its statutes entitles it. Instructions issued in the name of President Zayed and Sheikh Hamdan bin Rashid al Maktoum, Finance Minister, strengthened the Currency Board's powers to control credit and enforce sounder banking practices. But it was the restrictions placed on its ability to provide banks with liquidity which has really soured the atmosphere.

An executive of a major international bank with a shareholding in one of the numerous ventures here expressed the belief to-day that three to five institutions may have badly over-extended themselves and be in difficulties. They would now have to resort to the head offices of their foreign partners to obtain necessary funds. For those with little or no external stake the local owners should have the influence or money to tide the banks over.

The impression here is that international banks abroad, including those based offshore in Bahrain, are showing a degree of caution but confidence will return with stabilisation of the system. Over the past week or so depositors have shown a marked preference for established houses and the less well established ones have had to pay higher rates of interest.

In the inter-bank market to-day, interest rates, if anything, tended to decline. There has been no pressure on the dirham foreign exchange market.

A stronger base for the French crane industry

BY DAVID CURRY

PARIS, May 26.

FOLLOWING the recent move to create larger units in the chemical fertilizer, engineering, and machine tools fields, the French Government is now studying a scheme to strengthen the country's crane industry.

The plan agreed by the industry in outline covers tower cranes only, of which France claims to be the world's largest manufacturer and in which sector Potain, a subsidiary of the hydraulic excavator specialist Poclain, is the main group with a Frs.600m. a year turnover.

The main element of the plan is the formation of a new company, Grues BPR, assembling the lower-crane activities of Richier and Manubac-Pingon. These two companies, of their parent concern, would each hold a minority stake, while Potain would come in with a majority financial participation. This would fit in with the policy of concentrating the activities of Poclain, in which the American

company, Case, recently acquired a 40 per cent stake, around the commercial expansion of its excavator business with the aid of Case's North American markets.

The French crane industry has suffered badly in the recession, with turnover slipping from Frs.700m. in 1973 to Frs.547m. in 1975, before recovering last year to 1973 levels.

Meanwhile the Government has unveiled aid packages for the machine-tool and computer peripheral and electronic components industry. Aid of some £120m. over three years is envisaged for machine tools to back up industry investments of around Frs.300m. a year. The money, including this year's Frs.50m. tranche, will be in the form of loans from the FDES Economic and Social Development Fund, which provides cash at around 1 per cent below market rates.

The aid will be in the context

of a re-structuring of the industry which seems likely to create four basic poles: one around the motor car sector and by Renault-Ferret; another around a link between the numerically controlled specialist Berthez and Promecam; a third around Feutrier; and, finally, a financial joint venture backed by small companies and with state participation intended to take stakes in overseas companies.

On the computer peripherals front, where the French industry has a Frs.2bn. a year payments deficit, the state is to agree "growth" contracts—the equivalent of planning agreements—with seven concerns involving the setting of targets for things like new product research and exports. Subsidiaries of Thomson, CGE and Rhone-Poulenc are involved in these agreements which will lead to capital increases and state aid.

KemaNord to buy out Nitro Nobel

By William Dullforce

STOCKHOLM, May 26.

KEMANORD, the Swedish chemicals concern, which failed in a bid to take over the Swedish Match group earlier this year, to-day made an agreed offer for the remaining shares in the Nitro Nobel Explosives Company. At the same time Nitro Nobel announced that it was setting up an international operating base in Switzerland. This will have both trading and financial subsidiaries and is intended to promote the two concerns' activities in the developing countries.

KemaNord already holds 73 per cent of the Nitro Nobel. It is now offering three Ordinary shares of Kr.160 (£21.4) in cash for four of the remaining Nitro Nobel shares. Trading in the two companies was suspended to-day on the Stockholm exchange but at yesterday's prices KemaNord is offering a Kr.135m. last year - on a Kr.1,790m. turnover, while Nitro Nobel showed an operating profit after depreciation of Kr.27m. on sales of Kr.254m.

Mr. Ove Lindberg, KemaNord's managing director, said his concern's next to expand abroad had been the paramount motive for the Swedish Match bid. Incorporation of Nitro Nobel as a fully owned subsidiary and expansion of its international operations would also serve this end.

Avis shareholders rally

BY STEWART FLEMING

NEW YORK, May 26.

SHAREHOLDERS at the annual meeting of Avis, the world's second largest car rental company, have voted to approve resolutions which would protect the company from takeover. The resolutions were put to the meeting following attempts by Fugua Industries, which recently announced its intention to make an offer for Avis to have the meeting postponed. But Federal Appeals Court judges turned down the Fugua request for a stay but granted the company an expedited appeal early next month.

Ever since International Telephone and Telegraph failed to divert of Avis as quickly as ordered by a justice department antitrust decree, a substantial proportion of Avis shares have been in the hands of a court appointed trustee. The trustee is required to dispose of the shares down the public and secondary markets if he has been made. He continues to hold 47 per cent of the equity, however.

Fugua earlier this month made an offer for these shares to cash-and-said it would make a share exchange offer for the outstanding public shareholdings if it won the minority holdings held by the trustee.

The resolutions passed by the annual meeting would allow anyone with a 20 per cent stake in the company to block a tender offer, and approved the election of a Board of directors with staggered terms of office of one to three years.

reported sales revenues of \$2.7bn. and net income of \$136m.

Commonwealth Oil saved from bankruptcy

COMMONWEALTH OIL Refining Company was off the brink of bankruptcy before Ashland Oil stepped in with emergency aid, according to Mr. Gary W. Davis, president of Commonwealth, AP-Dow Jones reports from San Antonio.

In his first interview since Ashland emerged last month as a possible equity investor in Commonwealth, Mr. Davis said the financially troubled company could "definitely" be turned around "if our problems can be solved." He believed "very strongly" they could be.

But Ashland had entered the picture "in the nick of time" — just as the oil-refining and petrochemicals concern was about to succumb to a series of crippling financial blows.

Ashland certainly saved the company from filing under Chapter 11," Mr. Davis said. Although the company had not yet decided to seek protection to reorganise, under Federal bankruptcy laws, prior to the Ashland development it had begun to operate on "a sort of voluntary bankruptcy basis."

As previously reported, Ashland, the Kentucky-based oil refining and marketing concern, is considering a \$30m investment in new Commonwealth convertible Preferred stock. Full conversion would give Ashland a 48 per cent interest on a fully diluted basis.

Under its financing agreement with Commonwealth, Ashland has nearly four months to decide on the extent of its commitment to Commonwealth's future.

Federal Court action against major oil companies, including Texaco, that are resisting FTC subpoenas for antitrust documents is "not justified and is fact wasteful," AP-DJ reports from New York.

"This long-standing matter should be expeditiously resolved," Texaco said.

"It is untrue that Texaco has refused to produce any documents. Indeed, Texaco has offered to produce voluntarily documents to satisfy the discovery objectives of the subpoena — an offer which the Commission staff has arbitrarily rejected.

"Moreover, Texaco and even the Commission's own staff have asked that the Commission review the appropriateness of this entire proceeding and have been awaiting action by the Commission for over six months. Texaco again urges that the Commission consider whether the continuance of this proceeding dating from 1973 is in the public interest."

W. R. Grace take-over


W. R. GRACE AND CO. has agreed to acquire Pic 'N Pay Stores in an exchange of Grace common shares for Pic 'N Pay shares. Reuter reports that the transaction is subject to approval by the Grace board and receipt of a favourable ruling.

Record at Western

THE WESTERN COMPANY, North America has reported record net income in the 4th quarter, to March 31, of \$3.41 or 85c a share, on sales of \$38.24m. compared with \$3.25 or 81c a share, on \$31.61m. the same period last year.

This announcement appears as a matter of record only.

May 1977



Banco Nacional de Obras y Servicios Públicos, S.A.

U.S. \$150,000,000

Medium Term Loan

Managed by

- Banco de Santander
- Bank of Montreal
- Bankers Trust International Limited
- Dresdner Bank AG
- Lloyds Bank International Limited
- Orion Bank Limited

Co-Managed by

- Libra Bank Limited/Banco de Comercio S.A.
- Pittsburgh National Bank

Provided by

- Banco de Comercio S.A. Los Angeles International Banking Branch
- Banco de Santander
- Bank of Scotland
- Bankers Trust Company
- The Chase Manhattan Bank, N.A.
- Dresdner Bank AG London Branch
- Libra Bank Limited
- National Westminster Bank Group
- Pierson, Helder and Pierson (Curaçao) N.V.
- Slavenburg Overseas Banking Corporation
- UBAF Arab American Bank
- Union Trust Company of Maryland
- Canadian American Bank S.A.
- Banco Internacional S.A.
- Bank of Montreal
- BFG Luxembourg S.A.
- Chemical Bank
- International Commercial Bank Limited
- Lloyds Bank International Limited
- Orion Bank Limited
- Pittsburgh National Bank
- Standard Chartered Bank Limited
- Union Bank of Finland International S.A.
- United States Trust Company of New York

Agent
Bankers Trust Company

Weisscredit offshoot lost £52m.

By John Wicks
ZURICH, May 26.

KNOWN LOSSES of the Liechtenstein holding company Finanz und Verrechnungsdienstleistungsanstalt, of Schaan, are equal to some £52.7m., according to a statement made to-day to the Financial Times by the authorities of the Principality.

The company, bankruptcy proceedings involving which began yesterday, was affiliated to the Lugano banking company Weisscredit, closed on instructions of the Swiss Federal Banking Commission at the beginning of March. The managing director of Weisscredit, Rolande Zoppi, was arrested on March 6 on charges of fraud and disloyal management, while the bank's president, Elvio Zoppi, and Board delegate Renzo di Pirmo were sought by the authorities and said to have gone abroad.

Pepsico talks with Pizza Hut

PEPSICO, the second largest producer of soft drinks in the world, said it is entering into discussions with Pizza Hut, a fast-growing U.S. restaurant chain, aimed at reaching agreement on a merger, reports our New York correspondent.

No terms for the proposed transaction were mentioned other than the suggestion that the deal would be a share exchange.


Pizza Hut franchises and operates some 1,300 fast food restaurants, mainly selling pizza, with a further 1,200 franchised Pizza Hut operations. It distributes products to its own operations, and has some 14,000 employees.

Over the past four years its profits after tax have quadrupled to over \$21m. on sales of over \$300m. Share analysts have described the company as aggressive and market orientated.

Pepsico is already in the snack food market through its Frito-Lay division acquired in 1965. In its last financial year, Pepsico

These securities having been sold, this announcement appears as a matter of record only.

May 27th, 1977



Standard Chartered Bank Limited

(Incorporated with limited liability in England)

U.S. \$50,000,000

Floating Rate Capital Notes 1984

European Banking Company Limited
Credit Suisse White Weld Limited
Lazard Brothers & Co., Limited

J. Henry Schroder Wagg & Co. Limited
Banque Nationale de Paris
Schroders & Chartered Limited

Samuel Montagu & Co. Limited
Union Bank of Switzerland (Securities) Limited

Up 100 1/2

INTERNATIONAL FINANCIAL MARKETS AND COMPANY NEWS

Heavy demand in South African bond market

RICHARD ROLFE
MARKETS in South Africa are experiencing a period of buoyancy...

applications for no less than R10.5m. The main reason for the rampant interest in these bonds is that they are classified as 'rescribed securities'...

JOHANNESBURG, May 26. The Reserve Bank's schedule of bond issues through to the end of December indicates...

Petrolane seeks new purchases

SAN FRANCISCO, May 26. PETROLANE is pursuing acquisitions in the energy field, with the prime targets being petroleum services...

OFFSHORE BONDS

A Far East phenomenon

FEW, if any, financial instruments can have had such a rapid takeoff as the offshore Hong Kong dollar bond. Until three weeks ago they were a mere profitable trickle...

BY PHILIP BOWRING IN HONG KONG
international standards which have attracted the attention of borrowers, particularly if they can raise money without having to pay interest tax.

Return to profit FKH

BONN, May 26. ERICH KRUPP Huettener (FKH), the steeling arm of the Krupp group, reduced its losses in the first three months of the year...

Granges' new chief

STOCKHOLM, May 26. MR. JOHAN Aakerman, managing director of Granges, the crisis-ridden Swedish heavy industry group, announced today that he will return to the annual general meeting on May 31.

was not bound by the Granges tradition. When he announced his resignation last March, the outgoing chairman, Waldemar Widström, who was managing director for 19 years until 1971, took on himself some of the blame for Granges' present difficulties.

Panarctic lowers gas estimate

PANARCTIC OILS, of Calgary, has lowered its estimated natural gas reserves in Canada's Arctic islands to 12,800bn. cubic feet from 16,000bn. according to filings with Canada's National Energy Board...

Upsurge at Kyoto

TOKYO, May 26. KYOTO CERAMIC Company, in buoyant sales of crystal oscillators for electronic components, exports increased by 30 per cent. accounting for 65 per cent. of the total sales.

The present situation is potentially embarrassing to the government. The Mass Transit Railway Corporation, wholly owned by the government, has a SHKI bond issue outstanding on which it is paying interest tax. It is expected to be in the market again later this year.

Revlon dividend vote

REVLOON directors have voted to increase the quarterly dividend on Common stock to 25c a share from the previous 22c. It is reported by UNS from New York.

Panarctic lowers gas estimate

PANARCTIC OILS, of Calgary, has lowered its estimated natural gas reserves in Canada's Arctic islands to 12,800bn. cubic feet from 16,000bn. according to filings with Canada's National Energy Board...

SELECTED EURODOLLAR BOND PRICES

Table with columns: Country, Currency, Value of DLR, Country, Currency, Value of DLR. Lists various international bonds and their prices.

BANK OF AMERICA

World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, May 25. Exchange rates have been compiled by Bank of America NT & SA from a network of branches from various sources.

units per one U.S. dollar except for U.K. sterling (and those currencies at par with sterling) which is quoted in dollars per sterling unit. These rates are asterisked (*) if they are quoted as a basis for, or are not intended to be used as a basis for, particular transactions.

Table with columns: Country, Currency, Value of DLR, Country, Currency, Value of DLR. Lists exchange rates for various countries.

Table with columns: Country, Currency, Value of DLR, Country, Currency, Value of DLR. Lists exchange rates for various countries.

This advertisement is issued in compliance with the regulations of the Council of The Stock Exchange. It does not constitute an invitation to subscribe for or purchase any Bonds.

U.S. \$500,000,000 European Economic Community U.S. \$200,000,000 7 1/2% Bearer Bonds 1977/1982 Price 99% U.S. \$300,000,000 7 1/2% Bearer Bonds 1977/1984 Price 99%

Province of Manitoba (CANADA) HK \$150,000,000 6 1/2% per cent Bonds 1982 Issue Price Cdn \$2,223.35 per Bond of HK \$10,000

FINANCIAL TIMES REPORT

Friday May 27 1977

BREMEN

The smallest state within the Federal Republic of Germany, Bremen's prosperity is firmly founded on a broad industrial base, including aerospace and shipping. But limited prospects for future growth are a source of worry. ADRIAN DICKS reports.

The value of local control

AT A MOMENT when Britain is nervously wondering how much self-government it dares give to Wales and Scotland, the Federal Republic of Germany offers perhaps the most successful example in Europe of a country which has found that true power can be shared between the centre and the regions. But while rough parallels might be drawn between, say, Scotland and Bavaria as historically distinct and culturally self-aware regions, what are outsiders to make of the existence of the three smallest of the German federal states, the Saarland and the free Hanseatic city-states of Bremen and Hamburg? Do they make sense?

Anyone in doubt of the Bremen answer need only pay a visit to Bremen, the smallest of them all, in order to see what local control of affairs, with local control over taxation, can mean in practice. The 710,000 inhabitants of Bremen and Bremerhaven, the two towns 60 kms apart which make up the city-

state, are the descendants of people who have jealously prized their autonomy since the Middle Ages, succeeding most recently in the post-war years in persuading the allies that they should be placed on the same footing constitutionally as the 17.3m. people of North Rhine-Westphalia or the 10.8m. inhabitants of Bavaria.

It is not unknown for other West Germans to marvel at this political legerdemain, and to point out that in terms of population Bremen itself is only 11th largest among West German cities, neck-and-neck with Hanover and Nuremberg, yet some way behind Duisburg.

Bremen itself would shrug off any attempt to belittle its independence, and could invoke all the arguments of history and economics that its Hanseatic tradition implies. No less than Hamburg, this is a city that has thrived, and fulfilled its essential seafaring and trading role, precisely because the city fathers knew how to encourage it. And although it is easy for a visitor to be absorbed in the details of this subtle and fascinating commercial past, it is important principally because it has so much to do with Bremen's present.

In a recent speech about the city-state's prospects in the future shape of the European transport network, the Bremen senator for ports, shipping and transport, Herr Oswald Brinkmann, remarked that the key advantage of Bremen and Bremerhaven compared to their bigger rivals was the existence of "a fair and trusting co-operation between business and politics... everyone here

knows, and has his own opinion of, everyone else. The words 'friendship' and 'partnership' are not foreign in spite of keen competition, but belong to the everyday usage of the Bremen transport world."

The senator's description is one that could be applied to most branches of Bremen life. A visitor is struck at how far everyone does seem to know everyone else—and their business. Formality and protocol, so much a part of political and corporate life in most of Germany, are refreshingly absent here: why stand on ceremony when a quick telephone call or two can get matters settled? If that sounds like a city designed and run by businessmen, Bremen would probably accept the distinction gladly, for that is what the Hanseatic spirit stands for nowadays if it stands for anything.

Prosperous

More surprising, at least to non-Germans, may be the fact that this thriving and prosperous city-state, its economy heavily dependent on trade and shipping and its per capita domestic product of DM21,000 (£3,185), should be among the firmest bastions of progressive social democratic politics. In most of the federal states where it is in power, Herr Helmut Schmidt's SPD is in a sorry state at present, beset in some places by charges of patronage and corruption, and in others by strained relations with the Free Democrats (FDP) with whom it is joined in coalition (as it is in the Federal Government in Bonn).

Bremen/Bremerhaven is the exception. The SPD, under the firm leadership of Herr Hans Koschnick for the past decade, governs alone and appears firmly in the saddle. The party has had its strains, no less than in other parts of Germany, as a new—and generally more left-wing—generation of intellectuals has won a greater voice in the councils of what was, a generation ago, a solidly working-class movement. But while it is not entirely clear that these two elements can shake down together everywhere, the Bremen SPD (in the words of a senior member of the Koschnick team) has "learnt to live together."

The next test of this will come in 1978, when the population of the two towns must elect a successor to the present Assembly, in which the SPD has 52 out of 100 seats. The party may well, on past performance, continue to benefit from relatively weak opponents in the local Christian Democratic Union. And it may on the other hand stand to suffer if the party nationally is in no better shape than at present.

Mayor Koschnick, himself one of the vice-chairmen of the national SPD, will doubtless see as his strongest suit the party's record in its long tenure of office in Bremen. In many respects it is an enviable one. Bremen is not merely an attractive and a highly "liveable"

city, with theatrical, musical and academic activities as fine as those of many much larger cities. It also boasts an excellent range of social services, a high priority set on education, with 60 per cent of children attending the equivalent of the grammar school, and a Euro-pean record in proportion to its population for council-built housing—over 220,000 dwellings since the war.

What is now in question, in Bremen as in the rest of Germany, is the economic base of this prosperous way of life. Shipping and the ports of Bremen and Bremerhaven are by far the most important of the private side of these industries are correct in their forecast that the Bremen/Bremerhaven strategy of increased concentration on general cargoes and container traffic bears fruit.

The city-state's economy is, however, broader than its traditional dependence on the sea might suggest. The historic links of overseas trade have, for a start, helped to build up a valuable group of industries, specially geared to the processing of raw materials—for example, coffee roasting, wool washing and combing, animal feedstuff production from grains and seeds, cotton handling, tobacco dealing and, more recently, steelmaking.

For Bremerhaven, which is even more closely tied to the maritime industries (to the tune of 70 per cent of its jobs), there is also the deep-sea fishing and fish processing and packing sector, accounting for some 40 per cent of all the fish landed in West Germany.

Bremen's Senate has long been concerned to try to spread the economic base wider. It received a major setback in 1960, with the closing down of the Borgward motor company, when 20,000 jobs were lost. Yet the motor industry has still been represented by Hanomag-Henschel, now part of the Daimler-Benz group, which earlier this month confirmed plans to build as from next January the long-discussed Mercedes station wagon and a new generation of small vans in the former Borgward plant.

No less important have been the range of machine tool and machinery companies based in the city-state, and the electronics and electrical consumer goods sector, including the radio and colour television manufacturer Norddeutsche Mende.

Food processing and brewing—including such well-known brands as Beck's Beer—are also major employers: all told, the food and luxury goods industries account for nearly one job in four.

But of all Bremen's major activities, it is perhaps proudest of its aircraft and space industry, based on the West German-Dutch company VFW-Fokker and its subsidiary ERNO, which occupies a unique place in the European space industry.

With such a broad and varied palette of activities, does Bremen have any serious reason to worry about its future? The short answer is yes, according to Herr Dieter Tiedemann, the senator for economic affairs. A study of the city-state's economic prospects up to 1985 carried out for the Senate has suggested that for 80 per cent of the industries represented in the Bremen economy, there are only limited prospects for further growth. If nothing were done, Bremen would find itself short of 20,000 jobs in eight years' time—even allowing for a steady slow trickle of population out of the city itself, which has now reached 41 per cent over the past 10 years for Bremen (mostly in the gain of the outer suburbs in Lower Saxony), and 1.5 per cent for Bremerhaven (mostly to the rest of the country).

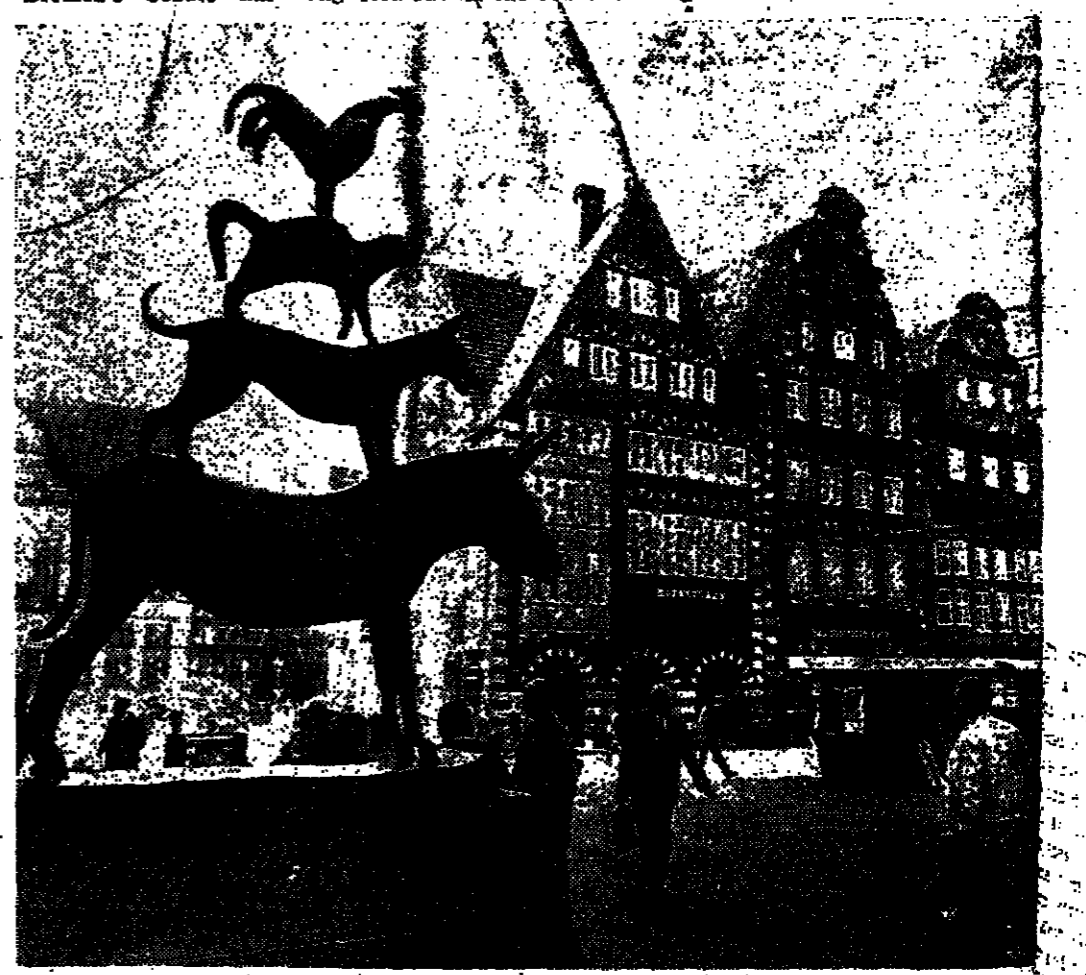
More immediately, Bremen has begun to learn how painful dependence on heavily cyclical industries such as steel and shipbuilding can be, while the uncertainties still weighing on the main aircraft project in progress, could still lead to further difficulties.

Senator Tiedemann and his colleagues are keenly concerned to bring in new industry, especially to Bremerhaven where local unemployment has reached 7 per cent.—yet where deep water, modern port facilities and land for factories are all available. Beyond this, which they concede is an appeal that many coastal cities in Europe can nowadays make, they stress the role of regional metropolises which Bremen carries out for a large area of surrounding Lower Saxony, and predilect a growing role in the future for services.

In some of these, such as banking and insurance, Bremen has long been an important centre, with many specialist institutions that have grown up with shipping and shipbuilding customers into a key element in the national picture.

Varied

With such a broad and varied palette of activities, does Bremen have any serious reason to worry about its future? The short answer is yes, according to Herr Dieter Tiedemann, the senator for economic affairs. A study of the city-state's economic prospects up to 1985 carried out for the Senate has suggested that for 80 per cent of the industries represented in the Bremen economy, there are only limited prospects for further growth. If nothing were done, Bremen would find itself short of 20,000 jobs in eight years' time—even allowing for a steady slow trickle of population out of the city itself, which has now reached 41 per cent over the past 10 years for Bremen (mostly in the gain of the outer suburbs in Lower Saxony), and 1.5 per cent for Bremerhaven (mostly to the rest of the country).



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“We soon reached agreement with the appropriate authorities. In doing so, we discovered in the Ministry of the Economy and Foreign Trade of the City of Bremen an authority that works with less red tape and more speed than almost any we have ever come across before.”

Dr. rer. pol. Walter Schmidt,
Spokesman of the Board of Management
of the Kölsch-Fölzer Werke AG, Siegen,
at the topping-out ceremony for their
new branch works in Bremerhaven.

The opinion of a management spokesman who had spent years looking for the ideal site for his business. He found it in Bremerhaven. Kölsch-Fölzer required direct access to shipping waters, room for later expansion and a pool of highly-qualified technical labour. These and more are offered by Bremen and Bremerhaven.

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SUMMARY OF THE BALANCE SHEET 1976

Assets	in million DM	Liabilities	in million DM
Long-term ship loans	1,683.4	Ship mortgage bonds and loans	1,774.2
Lendings due in 4 years or less	186.8	Liabilities due in 4 years or less	128.5
Transmitted loans	56.6	Transmitted loans	56.6
Liquid assets	63.7	Proprietary capital	73.0
Securities	5.9	Other liabilities	62.7
Other assets	53.6	Balance sheet profit	5.0
Total assets	2,050.0	Total liabilities	2,050.0
		Guarantees	158.5
		Volume of business	2,208.9

The Annual General Meeting of the Shareholders, held on 12th May 1977, passed a resolution determining that the balance sheet profit for the year ended 31st December 1976 in the amount of DM 4,950,000 be appropriated for the distribution of a dividend of 15 %.

The Annual Report for 1976 is available on request from the address below. The booklet in which the report is presented also includes surveys of trends and developments in the various branches of shipping and in the world.

International Ship Financing · Domshof 17 · 28 Bremen · Telex: 02

Copy no 1350

BREMEN II

The maritime sector

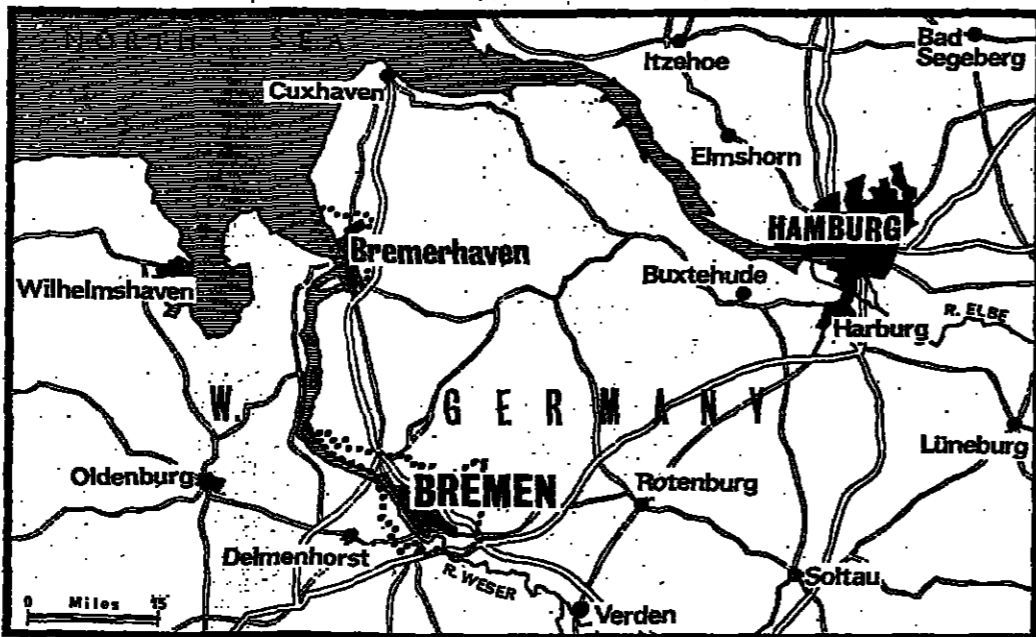
MANY cities, if they had choice, would opt to earn living from the sea at the moment. Bremen has done so, however, and its some broadening of the vital base to include less locally Hanseatic activities as food processing, aircraft machine tools, the sea (ins the essence of the city's economy.

re reckoning, by the Bremen ber of Commerce, pur this ndence as high as 30-40 per of the gross domestic pr- if ancillary trades and stries are counted in as well se main activities of ship- and cargo-handling, ship- ing and fisheries. The port eing company itself oss the number of jobs s depend on these maritime ra to be as high as 100,000.

a port, Bremen has had to with certain disadvantages a long time. Most obviously, ty lies 70 km inland up the s Weser. It is now exactly years since the city fathers, with the slow straggling Bremen's trade as the became silted up, decided establish a new harbour at merhaven, purchasing the needed to found a new at the river's mouth—and getting the precedent which ports as London and rman have followed of ring access to deep water.

sequent dredging of the r gave Bremen itself a part in the 19th century, ing ocean-going vessels to ch the city docks and to hlish the bases of the trades which Bremen has become Germany's specialist, such coffee, wool, cotton, copper, sso, and more recently if vegetables, feedgrains and seeds.

limit
urrent water levels in the ser impose a limit of about 00-20,000 tons on ships sing up-river. If these seem atively small by the stand- s of the stant tankers and e-carriers which have become reasungly numerous in recent rs, Bremen's ready answer that it has no intention of ng carried away by fashion. The port has made a virtue of a necessity by seeking eral cargo business, recog- ng that much of this will time to be carried in smaller sels which are more suitable ports in developing coun- s. Moreover, many of the odities in which Bremen long made itself dominant high-value raw materials und whose importation has icated processing indus- s have grown up. Half of



West Germany's coffee, to give only one example, is roasted and packed in the three big plants in Bremen, while the port also has a de facto monopoly on the handling and marketing of Indonesian tobaccos through the periodic auctions of the Bremen Tobacco Exchange.

During the next three or four years, the West German Government will complete dredging work that will deepen the Weser so as to take ships of up to about 35,000 tons up to Bremen's city docks. Although this will still not allow the largest container ships to go upstream fully laden, Bremen port officials express no alarm and point out that on the trades in which the city docks are specialised, the limits imposed by the Suez and Panama canals are more important constraints.

They also believe that most ship-owners will want to pay off the investments they are making in the current generation of container vessels before any substantial increase in average size becomes sufficiently widespread to threaten the port.

In any case, Bremen has at Bremerhaven, water deep enough to take virtually any container ship now afloat and has spent DM300m on construction of the new container terminal there. As the first West German port to "containerise" in 1966, Bremen has seen traffic expand from 72,000 tons to 3.7m. tons in 1976. During the first quarter of 1977, the container traffic grew by 30 per cent. over the last quarter of 1976, and by 1980 is expected to have risen from the present 36.5 per cent. to 45-50 per cent. of the port's total traffic.

As a result, Bremen is spending a further DM130m. on extending its container-handling quays at Bremerhaven in order to accommodate the growing number of services which use it (currently 41). No less, the port is a major terminal for roll on/roll off services, and for LASH systems. In order to expedite handling and documentation of all of these, it is inaugurating on June 7 a system known as COMPASS—Computer Orientated Management of Port and Shipping Services—to rationalise and control freight movements. This is expected to cost some DM5m. by the end of next year, and involves more than 100 port and cargo-handling firms as well as the port operating company and the federal Ministry for Research and Technology.

Chemicals
In addition to general cargoes and special systems, Bremen also has important bulk-cargo facilities, both for grain and feedstuffs, and for bulk chemicals and iron ore—for which the Bremerhaven Weser-port facilities can handle 30,000 tons a day. There is a limit of between 80,000 and 90,000 tons on the size of ships which can be taken fully loaded at Bremerhaven, but although this would exclude the very largest bulk carriers already in service, Bremen officials profess not to be concerned. There is little sign of political pressure from Bremen for the further deepening of the Weser approaches: one reason for this is the existence of a deep-water crude oil port at Wilhelmshaven, which Bremen has no ambition

to duplicate while it sees a prosperous future ahead in its role as a general cargo port.

No less strong a tradition in Bremen and Bremerhaven than shipping is shipbuilding. In Bremer-Vulkan and A.G. Weser, the city-state possesses two of West Germany's leading yards, together with a good number of smaller companies. These are difficult days for shipbuilding everywhere, however, and with 25 per cent. of West-German total capacity, Bremen yards have not been able to escape the crisis. In 1977, it has been calculated by the West German shipbuilding industry federation, the industry can expect to work at no more than 70 per cent. of capacity, while next year it should be ready to see this figure drop to 25 per cent.

It remains to be seen how well individual shipbuilders will weather the very stormy patch ahead. But it seems to be accepted in Bremen that those in a position to "buy" orders from cash reserves either of their own or from parent steel companies may turn out to be able to keep their activities going. Bremen yards, in common with those elsewhere, have tried to make more flexible use of recent years for building super-tankers. They have also been making efforts to close down less efficient facilities and to run down workforces through early retirement and natural wastage. So far, short time working and lay-offs have been largely avoided. Yet there is little doubt that many yards will be forced to both measures next year, although in common with the rest of German industry, shipbuilders are ready to go great lengths to protect jobs

and to hold on to skilled workers. Yet employment in Bremen shipyards has already dropped by over 2,000 during the past two years. It is accepted by the Bremen senate that between now and 1985, the industry will need to contract by at least 2,000 more if it is to survive.

In the meantime, the city-State's Government is lobbying vigorously for a further increase in the federal ship-owners' credit subsidy, raised only two months ago from 12.5 per cent. to 17.5 per cent. In conjunction with other State Governments dependent on shipbuilding, Bremen has offered to contribute funds of its own towards this. It is also pressing hard for an increase in the share of orders placed by West German shipowners with West German yards from the present 40 per cent.

There are hopes for some new orders from the Bonn Government's DM170m. in development aid earmarked for the purpose last year, to which a further DM180m. may be added this year, though this is likely to produce orders mainly for smaller craft. The federal Government's attempts to bring forward contracts where it can, such as those for new warships, is also expected to provide some relief.

In the meantime, Bremen is taking measures of its own to help ease the restructuring of the industry and its diversification into other product lines such as machinery-building. About DM100m. in guarantees has been provided by the senate to smaller companies in the industry in order to safeguard jobs.

1877-1977-100 YEARS BLG

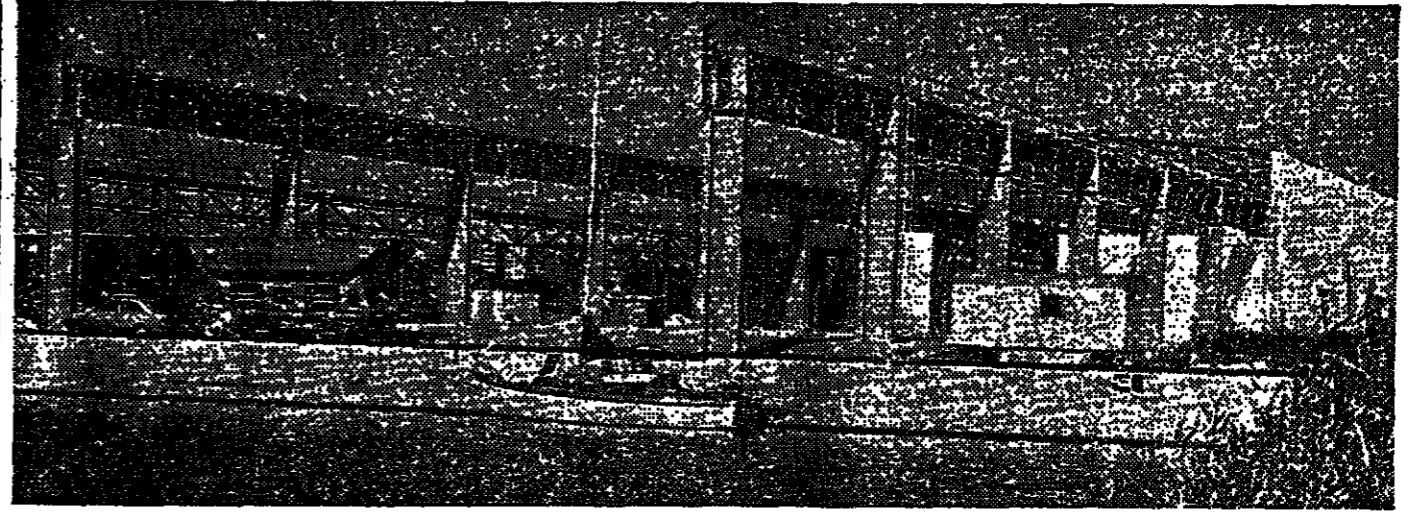


The start of our 2nd century.

It's our birthday! We - the Bremer Lagerhaus-Gesellschaft with our 4,000 employees - are proud to be celebrating the first hundred years of the company's existence. Proud to have been at your service operating the Ports of Bremen.

our friends around the world for the confidence they have had in us all these years. Now, at the start of our second century, we've got every reason to be happy. Modern forklifts have taken the place of the hand-cart of years gone by. Long ago the leisurely movements of the cranes gave the port that

romantic air. Today ultra-modern container facilities do the work of days in a matter of hours. In the past we mastered any problem that came our way. With your help we'll master the problems that will crop up tomorrow. For your benefit.



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Bremerhaven works: Am Lünebeck, Bremerhaven

Aerospace projects

THE AEROSPACE industry is recently a matter both of pride and concern in Bremen. Because of the skilled workforce of some 6,000 is engaged two significant programmes well as in a number of other ones: yet concern, at the same time, because both short-term structural problems the West German aerospace industry and the vicissitudes of business cycle seem to have bined to raise fresh queries r the long-term security of mployment in the city-state.

wo closely related enter- es dominate the scene in men, VFW-Fokker and its idary, ERNO Raumfahrt- nik, which between them resent the largest concen- ion of people and fixed it in West Germany of the ch-German VFW-Fokker p. The two companies py adjoining buildings at edge of the Bremen airport, in practice share a good y of the same facilities. re is a good deal of contact, might be expected, and ncers and experts can come go from one to the other tively easily. Yet the two quite distinct functions. RNO is the main contractor re inter-governmental Euro- Space Agency (ESA) for an and construction of the ab, which in turn is the which the U.S. National aunts and Space Agency (SA) entrusted to Europe in lens with America's own mplement of the space tic, the next major manned project.

make up the completed space-lab. This has meant setting up and running the most complex international mechanical programme ever conceived in Europe involving no fewer than ten Governments and a larger number of companies. There has, in addition, been the need to collaborate constantly through ESA with the Americans in NASA, and through that body with the U.S. builders of the shuttle. Herr Bernd Kosegarten, the general manager of ERNO, seems almost to be understating the complexity of the task when he says that "technically the thing is possible—the challenge is in the management."

Confident

Yet ERNO has managed to bring the whole programme along to the point where it will be confident that the first flight of shuttle and spacelab will take place on schedule in just three years from now. Delivery of the assembled and tested spacelab will have taken place some six months earlier, at the end of 1979. Further, ERNO can state that the project has been accomplished within the upper range of the estimates of cost originally specified in January, 1974. These were set at the time at 308m. accounting units, each equal to DM3.22 (the then exchange rate with the U.S. dollar), including a 60m. A.U. margin for contingencies. This margin has been used, up because of the modifications to both spacelab and shuttle designs during the course of the project's development, according to Herr Kosegarten, but will enable the orbiting spacelab to carry out more sophisticated experiments as well as make it a more comfortable place for its crew.

political achievement, if it can demonstrate to the public on both sides of the Atlantic that the European aerospace industry is after all capable of carrying out, on time and within budget, its share of a major advanced technological project in conjunction with the U.S. For the Europeans, demoralised by some other facets of a technological gap that never seems to close, operational success for spacelab could also lead to significant follow-on orders.

NASA is not due to award contracts for the second spacelab before 1980, but the European contractors are keen to see definite indications of interest much sooner than that in order to phase out the flow of work and to provide proof that the new U.S. Administration means what it says when it promises that advance technological trade must be a two-way street (though so far the signs are highly promising). Looking even further ahead, ERNO hopes for orders from other U.S. and European Government bodies and even from private companies for spacelabs.

Meanwhile, the company has other interests, notably in the development of the European launcher rocket "Ariane" and in the new European telecommunications and navigational satellites, OTS and MAROTS. It builds its own line of small thruster motors for satellites, and it is involved in a number of non-space areas including marine technology and energy research.

This is the prospect that the parent company, VFW-Fokker, will find itself running out of work unless it can soon find orders for the main civil product which it builds at Bremen, the 644 seater short-haul VFW 614 jet airliner.

To date, the company has sold only 16 of the aircraft, though it has come close to several other major orders, of which the most tantalising for 41 aircraft was dangled before it by the U.S. coast guard. The West German Federal Government, as a sign of its continuing commitment to the programme, agreed a couple of months ago to release sufficient funds to build another 12 614s in addition to 16 already completed and unsold. It also agreed to make available up to DM49m. to help VFW-Fokker carry out its co-operation agreement with Romania for joint production of the 614.

Yet short-time working has become unavoidable in the view of Bonn, Bremen and the company itself, not because of the VFW 614 programme alone, but because of the parallel slowdown in new orders for the A-300 European Airbus, for which VFW-Fokker builds wing equipment in Bremen, and the accompanying dearth of work for the company on the military side. All three parties say they believe in the future of the 614 as a replacement on shorter routes for the present generation of smaller turbo-prop planes, and express the hope that orders are just around the corner. They will need to be if jobs are to be saved.

For the longer term, Bremen is once again calling for a fairer division of work between north and south Germany in which the heavy dependence of the north on civil projects could be eased by sharing some of the military orders keeping the southern factories.

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WALL STREET OVERSEAS MARKETS + FOREIGN EXCHANGES

Mixed following bargain hunting

A MIXED TREND prevailed on Wall Street today, following some bargain hunting among recently depressed issues. The Dow Jones Industrial Average regained 4.83 to 908.07...

The Fed reported a \$1.4bn rise in Basic Money Supply (M-1) to \$24.4bn. Increase in the broader M-2 measure. Storage Technology moved ahead \$1 to \$121 on merger talks...

STERLING - Sterling fell ground in the foreign exchange market yesterday, but discounts on the forward pound against the dollar were at \$1.780-1.785...

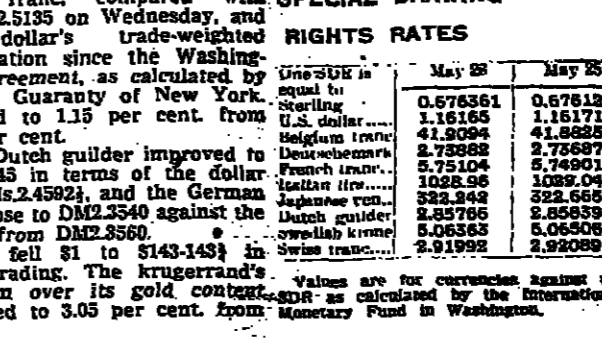
OSLO - Bankings, Insurances and Shippings were quiet, but Industrials were at record lows. VIENNA - Market rose slightly. SPAIN - Recent restrained rally continued with slightly weaker...

GOLD MARKET and FOREIGN EXCHANGES tables showing prices for gold and various currencies.

THURSDAY'S ACTIVE STOCKS table listing various stocks and their prices.

OTHER MARKETS Canada still lower Canadian Stock Markets continued to lose ground in light trading yesterday...

STERLING - Sterling fell ground in the foreign exchange market yesterday, but discounts on the forward pound against the dollar were at \$1.780-1.785...



SPECIAL DRAWING RIGHTS RATES table showing rates for various countries.

INDICES NEW YORK - DOW JONES table showing market indices.

Y.S.E. ALL COMMON table showing stock market data for various countries.

JOHANNESBURG - Gold shares were firm, despite lack of interest. Heavyweights gained up to 50 cents...

EXCHANGE CROSS-RATES table showing rates for various currencies.

EURO-CURRENCY INTEREST RATES table showing interest rates for various currencies.

STANDARD AND POORS table showing stock market data.

JOHANNESBURG table showing stock market data.

NOTES: Overseas prices shown below exclude premium. Belgian dividends @ DM50 denon. unless otherwise stated...

FORWARD RATES table showing forward rates for various currencies.

FORWARD RATES table showing forward rates for various currencies.

OVERSEAS SHARE INFORMATION

NEW YORK table listing various US stocks and their prices.

CANADA table listing various Canadian stocks and their prices.

AMSTERDAM table listing various Dutch stocks and their prices.

PARIS table listing various French stocks and their prices.

STOCKHOLM table listing various Swedish stocks and their prices.

FARMING AND RURAL MATERIALS

Brazil soya farmers warned

By Sue Bradford
SAO PAULO, May 26.
LIZILIAN FARMERS, who
razing on their soybeans,
using to sell, are running
of letting the American har-

Sugar pact talks end in failure

By DAVID EGLI
GENEVA, May 26.
AFTER A SERIES of last-minute
consultations sugar importers
and exporters today recognised
that they had failed to agree
on an appropriate package of
price defence arrangements for
the proposed new international
sugar agreement.

New fall in metal markets

By John Edwards,
Commodities Editor
METAL PRICES fell back
sharply on the London Metal
Exchange yesterday, with
copper leading a general
downturn. An easier trend in
the New York market over-

EEC impact on food prices

By JOHN CHERINGTON, AGRICULTURE CORRESPONDENT
THOSE WHO, for want of a
better term, could be called
friends of the Common Market
have been responding by two
statements to attacks on the
Common Agricultural Policy and
the price rises which it is accused
of causing.

Call for curbs on Norwegian fishermen

HERE SHOULD be further
curbs on Norwegian trawlers
in Britain's limits to
achieve a fair balance, follow-
ing its unilateral imposed
quotas, Mr. Austen Laing,
deputy general of the British
Fishing Federation, said yester-

Coffee regains its earlier losses

By RICHARD MOONEY
COFFEE PRICES on the London
terminal market closed generally
higher yesterday despite a sharp
early fall. The July position
ended 289.5 lower on the day
but 23.50 higher on the month.

Rhodesia may boost support for tobacco

By Our Own Correspondent
SALISBURY, May 26.
THE RHODESIAN Minister
of Agriculture today announced
that the support price for the
tobacco crop for the 1977-78
season had been raised to 90 Rhodesian
cents a kilo from 85 cents last
year and 80 cents the previous
year.

Available supplies to-day may not be cheap in terms of the late 1960s, but they are certainly a great deal cheaper than those current and prospective in the EEC.

On world markets to-day which
are at present well supplied,
in some cases over-supplied.
Accurate definitions of price
differences are difficult, because
of the over-valuation of the
"Green Pound" (at present by
30 per cent.), and the differing
exchange rates of the member
countries.

Britain opposes U.S. option trade rules

REPRESENTATIVES FROM the
London Commodity Exchange
and the International Commodity
Clearing House (London) have
told the U.S. Commodity
Futures Trading Commission
that the proposed regulation
of options on agricultural
markets imposes obligations which
the LCE and ICCH could not
accept.

COMMODITY MARKET REPORTS AND PRICES

Table with columns for Commodity, Unit, Price, and Change. Includes Copper, Tin, Lead, Zinc, and various grades of metal.

Table with columns for Commodity, Unit, Price, and Change. Includes Rubber, Soyabean Meal, and other commodities.

SOUTH YORKSHIRE COUNTY COUNCIL
12 1/2% BONDS 4-7 YEARS
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LEGAL NOTICES
No. 00196 of 1977
In the High Court of Justice
Division of the Queen's Bench
Between THE TRICOUNTY OF JUSTICE
and THE TRICOUNTY OF JUSTICE

PRICE CHANGES

Table with columns for Commodity, Unit, Price, and Change. Includes Meat/Vegetables, Rubber, and other commodities.

U.S. Markets

Table with columns for Commodity, Unit, Price, and Change. Includes Soyabean and cocoa stage rally, Wheat, Corn, and other U.S. market data.

STOCK EXCHANGE REPORT

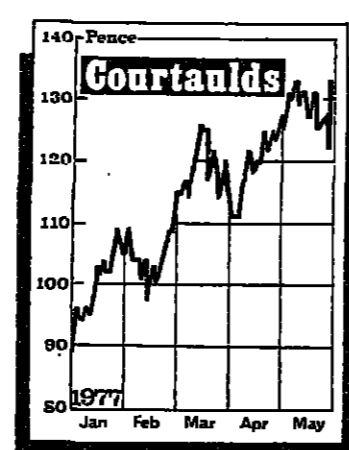
Further weakness in Gilt-edged on monetary fears
Equities close above worst with index 1.0 off at 461.5

Account Dealing Dates
Option
First Declara- Last Account
Dealings Dealings Day
Apr. 25 May 3 May 6 May 17
May 7 May 19 May 20 May 31
May 23 Jun. 9 Jun. 10 Jun. 21

the tendency settled and quotations began to move away from the lowest levels, usually by 1/2...

and Alginat Industries put on 4 to 257p after the chairman's encouraging annual statement...

House of Fraser up
Activity in House of Fraser featured Stores yesterday when speculative buying fuelled by rumours that Lornbro had



firm at 81p in front of to-day's interim figures. Although looking better in the late trade, Foods still closed with a string of modest losses...

Associated Engineering closed 4 cheaper at 118 1/2p despite interim figures in line with market expectations...

Oil's steadier in the latter part of the day after encountering a fair amount of small selling...

FINANCIAL TIMES STOCK INDICES table with columns for various indices and their values.

HIGHS AND LOWS S.E. ACTIVITY table showing high and low prices for various stocks.

Gilt-edged went easier from the start and long-dated issues were soon showing further losses...

Banks drift down
The big four Banks drifted lower with Barclays and Midland leading the first-quarter gains...

acquired part of Carter Hawley's stake in the company brought a rise to 126p before a subsequent denial from Lornbro caused a reaction to 118p...

firm at 81p in front of to-day's interim figures. Although looking better in the late trade...

Associated Engineering closed 4 cheaper at 118 1/2p despite interim figures in line with market expectations...

Oil's steadier in the latter part of the day after encountering a fair amount of small selling...

Furness Withy, 300p, and James enabled them to close above the day's lowest levels.

Leading shares were showing some reluctance in the morning to follow gilt-edged lower and were being gained by scattered buying interest...

Down 10p on Wednesday following vague rumours of a broker's bullish circular...

Chloride were a poor market at 110p, down 7 following Press comment on the company's strike situation...

Engineering leaders reacted in thin trading to close with modest losses. Hawker cheapened 6 to 826p...

Still reflecting fears of an upturn in interest rates, Property shares encountered fresh selling...

Investment Trusts came back on occasional small sales and the absence of any institutional interest to close with moderate losses...

South African registered Financials mirrored Golds but the London-based issues suffered from lack of interest...

No relief for Gilts
The atmosphere in British Funds was dismal again with sentiment continuing to reflect not only concern about the rate of inflation in the U.K. but also the uncertainty as regards the short-term outlook for sterling and domestic interest rates...

Down 10p on Wednesday following vague rumours of a broker's bullish circular. AP Cement opened easier and touched 180p before rallying late to finish 2 up on the day at 184p...

Chloride were a poor market at 110p, down 7 following Press comment on the company's strike situation. Decca came on offer at 350p, down 3, along with Farnell, 150p, and MK Electric, 162p...

Engineering leaders reacted in thin trading to close with modest losses. Hawker cheapened 6 to 826p, after 825p, and Tubes were 4 off at 432p...

Still reflecting fears of an upturn in interest rates, Property shares encountered fresh selling. Falls were only modest in the leaders but often substantial among secondary issues...

Investment Trusts came back on occasional small sales and the absence of any institutional interest to close with moderate losses. London and Aberdeen Trust preferred at 125p, gave up 5 of the previous day's rise of 19 which followed news of the discussions with the company's financial advisers to consider whether it is in shareholder's interests for the company to continue as an investment trust...

South African registered Financials mirrored Golds but the London-based issues suffered from lack of interest as well as reflecting the U.K. equity market. Rio-Tinto-Zinc were 3 down at 224p, after 228p, and Charter eased 2 to 325p, after 324p.

RECENT ISSUES

Table of recent issues including Equities and Fixed Interest Stocks.

RIGHTS OFFERS

Table of rights offers for various companies.

ACTIVE STOCKS

Table of active stocks with columns for stock name, denomination, closing price, and change.

OPTIONS TRADED

Table of options traded with columns for dealing dates and prices.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Large table of FT-Actuaries Share Indices showing various groups and sub-sections with their respective values.

FIXED INTEREST YIELDS

Table of fixed interest yields for various government and corporate securities.

NEW HIGHS AND LOWS FOR 1977

Table listing new highs and lows for various sectors in 1977.

RISES AND FALLS YESTERDAY

Table showing rises and falls in stock prices from the previous day.

Advertisement for 'THOSE REQUIRING THE FT DAILY, PLEASE SIGN BELOW:' with a large graphic of a pair of scissors cutting a line.

Large advertisement for 'Dare you circulate this?' featuring the Financial Times logo and text about its competitive times and business needs.

Handwritten signature or initials at the bottom center of the page.

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts listing various funds such as Brown Shipley & Co. Ltd., Guardian Royal Ex. Unit Mgmt. Ltd., and others with their respective details.

Table of Offshore and Overseas Funds listing various international investment funds such as Fidelity Mgmt. & Res. (Bda) Ltd., Kemp-Gee Management Jersey Ltd., and others.

Table titled 'BASE LENDING RATES' showing interest rates for various banks and financial institutions.

Table titled 'LIVE PRICE MOVEMENTS' showing price changes for various commodities like wheat, sugar, and oil.

INSURANCE, PROPERTY, BONDS

Large table listing various insurance, property, and bond companies and their services, including Abbey Life Assurance Co. Ltd., Equity & Law Life Ass. Soc. Ltd., and others.

Advertisement for 'CLIVE INVESTMENTS LIMITED' featuring 'Clive Fixed Interest Capital' and 'Clive Fixed Interest Income' with contact information.

Advertisement for 'INSURANCE BASE RATES' listing rates for Property Growth, Cannon Assurance, and other insurance services.

INDUSTRIALS - Continued

Table of industrial stock prices including companies like British Petroleum, Shell, and ICI.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stock prices including companies like Rover and BSA.

PROPERTY - Continued

Table of property stock prices including companies like British Land and Wimpey.

TRUSTS - Continued

Table of trust stock prices including companies like British Trust and Commercial Union.

TRUSTS - Continued

Table of trust stock prices including companies like British Trust and Commercial Union.

NOMURA advertisement: Japan's leader in international securities and investment banking. The Nomura Securities Co., Ltd.

INDUSTRIALS - Continued

Table of industrial stock prices including companies like British Petroleum, Shell, and ICI.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stock prices including companies like Rover and BSA.

PROPERTY - Continued

Table of property stock prices including companies like British Land and Wimpey.

TRUSTS - Continued

Table of trust stock prices including companies like British Trust and Commercial Union.

TRUSTS - Continued

Table of trust stock prices including companies like British Trust and Commercial Union.

MINES - Continued

Table of mine stock prices including companies like Anglo American and De Beers.

AUSTRALIAN

Table of Australian stock prices including companies like BHP and Anglo Coal.

TINS

Table of tin stock prices including companies like Anglo Tin Mines.

COPPER

Table of copper stock prices including companies like Anglo American.

MISCELLANEOUS

Table of miscellaneous stock prices including companies like Anglo American.

NOTES

Notes section providing details on various financial instruments and market conditions.

TEAS

Table of tea stock prices including companies like Anglo Tea.

INDIA AND BANGLADESH

Table of Indian and Bangladeshi stock prices including companies like Anglo Indian.

SRI LANKA

Table of Sri Lankan stock prices including companies like Anglo Ceylon.

AFRICA

Table of African stock prices including companies like Anglo African.

MINES

Table of mine stock prices including companies like Anglo American.

CENTRAL RAND

Table of Central Rand stock prices including companies like Anglo Rand.

EASTERN RAND

Table of Eastern Rand stock prices including companies like Anglo Rand.

FAR WEST RAND

Table of Far West Rand stock prices including companies like Anglo Rand.

O.F.S.

Table of O.F.S. stock prices including companies like Anglo O.F.S.

FINANCE

Table of finance stock prices including companies like Anglo Finance.

DIAMOND AND PLATINUM

Table of diamond and platinum stock prices including companies like Anglo Diamond.

INSURANCE

Table of insurance stock prices including companies like Anglo Insurance.

PROPERTY

Table of property stock prices including companies like British Land.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stock prices including companies like British Trust.

FINANCE, LAND, ETC.

Table of finance, land, and other stock prices including companies like Anglo Finance.

REGIONAL MARKETS

Table of regional market stock prices including companies like Anglo Regional.

OPTIONS

Table of options stock prices including companies like Anglo Options.

A selection of Options traded is given on the London Stock Exchange Report page

Keep things rolling

THREE HOSTAGES RELEASED BY ANGRY MOLUCCAN GUERRILLAS

Dutch police fear reprisals

BY DAVID BUCHAN IN ASSEN AND MICHAEL VAN OS IN AMSTERDAM

THE Dutch Government, reinforced by Wednesday's election victory, yesterday continued negotiations with the Moluccan guerrillas...

released and taken to hospital and a boy suffering from a heart complaint was let go...

flag carrier, Garuda International Airlines, said yesterday it had diverted its regular flights to Frankfurt for fear of possible hijacking attempts by Moluccan extremists in Holland...

deliveries of food—they refused them almost until the end of the day saying "hostages do not need to eat"—and the staging of mock hangings outside the train, putting hostages on display with hands tied and nooses around their necks...

suffering from the hot weather, inadequate toilet facilities and generally stinking conditions. Dutch officials said...

New bond premium is 1/2% over rate

By Michael Blandon THE GOVERNMENT'S long-awaited floating interest rate bond is a short-dated stock carrying interest at 1/2 per cent over the Treasury rate...

Bhutto and opposition leaders agree to negotiate end to crisis in Pakistan

BY OUR OWN CORRESPONDENT

AFTER a fortnight's hectic mediation, Arab Governments and the Palestine Liberation Organisation have succeeded in persuading Pakistan's ruling and opposition parties to suspend violent demonstrations and negotiate a solution to resolve the crisis...

Livya, Kuwait, the UAE and the PLO, the army's role in the present crisis has been one of the major factors. Withdrawing its armed pre-conditions for a dialogue, the opposition has now converged to Mr. Bhutto's few suggestions...



Mr. Bhutto: Offer to hold new provincial elections.

ISLAMABAD, May 26.

His later offers to resolve the issue through dialogue were turned down by the opposition, which also rejected his latest decision to hold a referendum to decide whether he should continue as Prime Minister...

It is unclear at present just how strong the response to the issue will be or at what price the authorities will be willing to release the stock...

Port Talbot stewards reject British Steel peace formula

BY ALAN PIKE, LABOUR STAFF

THE two-month-old unofficial electricians' strike which has closed British Steel's Port Talbot plant and made 7,000 men idle is to continue, after the failure of peace talks last night...

strike leader, said before he returned to Wales that the meeting had been "an absolute waste of time. Nothing new had been offered, he said...

made possible by the withdrawal of the strikers' demand that they be directly represented in any negotiations with the corporation...

June 11 end of pig subsidy

By John Cherrington, Agriculture Correspondent

MR. JOHN SILKIN, Minister of Agriculture, yesterday announced in the Commons that in deference to the ruling of the European Court, he will discontinue payment of the special U.K. pig subsidy on June 11. All pigs certified up to and including that date will receive the subsidy...

Shell, Iran plan £135m. project

By Ray Deffer

SHELL AND the National Iranian Oil Company are to build a joint \$220m (£135m.) lubricants plant in Iran. The Iranian company will have a 75 per cent stake in the plant...

Dayan move halts Israel talks on forming coalition

BY OUR FOREIGN STAFF

NEGOTIATIONS on the forming of a coalition government in Israel were halted yesterday. This came after the surprise announcement that Mr. Moshe Dayan, the former Defence Minister in successive Labour-led coalitions, had agreed to become Foreign Minister in a government under Mr. Menachem Begin, the Likud leader...

hospital suffering from overstrain two months after a serious heart attack was reported yesterday to be fit enough to leave the hospital...

U.S. trade deficit

Continued from Page 1

surpluses, precisely the reverse to the U.S. He estimated the German services deficit at about \$120m-140m this year and that of Japan at about \$70m, but still contended that both countries had room to reduce the size of their trade surpluses—and run current account deficits of modest proportions—without embarrassment...

Table with columns: Country, High, Low, Wind, etc. Includes U.K. TO-DAY, BUSINESS CENTRES, HOLIDAY RESORTS.

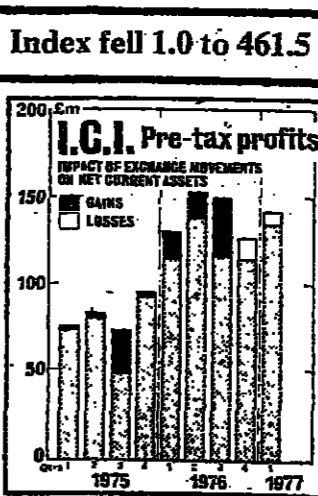
Table with columns: Country, High, Low, Wind, etc. Includes Channel Is., S.W. England, S. Wales, etc.

Table with columns: Country, High, Low, Wind, etc. Includes N. Wales, N.W. England, Lakes, etc.

Other Middle East News, Page 6

THE LEX COLUMN Exports boost ICI and Courtaulds

Courtaulds and ICI between them turned the market in its tracks yesterday: their trading news played a big part in cutting a 7.3 point drop in the 30-Share Index at noon back to a fall of just one point by the close...



explain the significance of the difference between an interest rate and a discount rate could be seriously misleading for those outside the gilt-edged and money markets...

Exports provide the key, with volumes rising 40 per cent over the year on a comparable basis. The fall in sterling presented the opportunity for some aggressive export pricing, and export margins may have roughly doubled during the second half...

while ICI's export and European sales volumes are up by a tenth. With the group's capacity utilisation rising by a few points to around 85 per cent, margins have been substantially improved. In terms of sales volume ICI is now producing above the peak 1974 levels...

So the authorities have produced a stock the idea of which is to be saleable at around par in periods of rising interest rates but which actually becomes less attractive to the holder when rates are high...

Bass Charrington

Bass Charrington's profits are 26 per cent higher at £35.4 pre-tax for the half year ending in April, which is broadly in line with Whitbread's performance in the six months to February...

Variable rate bond

Such a major innovation as the Government's floating rate bond—£400m. of Variable Rate Treasury Stock 1981 will be available in the market on Monday—surely deserved a better introductory document than today's prospectus...

LOB: ..."promoting the better distribution of office employment throughout the country". Mr. Peter Shore, Secretary of State for the Environment. And we have the facts to do it. In a recent statement to the House of Commons, Mr. Peter Shore proposed new terms of reference for the Location of Offices Bureau. Subject to Parliamentary approval the Bureau will have two new tasks: attracting international concerns to bring office employment to Great Britain, and promoting office employment in inner urban areas...

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